

**TITLE 19**  
**TOWN OF BRIDGEWATER**  
**GENERAL TAXATION**  
(formerly “Taxation”)

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**CHAPTER 1**  
**Meals Tax**

**§ 19-10. Definitions.** The following words and phrases, when used in this ordinance, shall have, for the purposes of this ordinance, the following respective meanings except where the context clearly indicates a different meaning:

- (a) *Cater.* The furnishing of food, beverages, or both on the premises of another, for compensation.
- (b) *Collector.* The Treasurer or designee.
- (c) *Treasurer.* The Treasurer and any duly designated deputies, assistants, inspectors or other employees.
- (d) *Food.* All food, beverages or both, including alcoholic beverages, purchased in or from a food establishment, whether prepared in such food establishment or not, and whether consumed on the premises or not, and without regard to the manner, time or place of service.
- (e) *Food establishment.* Any place in or from which food or food products are prepared, packaged, sold or distributed in the town, including but not limited to, any restaurant, dining room, grill, coffee shop, cafeteria, café, snack bar, lunch counter, convenience store, movie theater; delicatessen, confectionery, bakery, eating house, eatery, drugstore, ice cream/yogurt shops, lunch wagon or truck, pushcart or other mobile facility from which food is sold, public or private club, resort, bar, lounge, or other similar establishment, public or private, and shall include private property outside of and contiguous to a building or structure operated as a food establishment at which food or food products are sold for immediate consumption.
- (f) *Meal.* Meal shall mean any prepared food or drink which is (i) offered or held out for sale by a food establishment for the purpose of being consumed by any person to satisfy the appetite and (ii) ready for immediate consumption. All such food and beverage, unless otherwise specifically exempted or excluded herein shall be included, whether intended to be consumed on the seller's premises or elsewhere, whether designated as breakfast, lunch, snack, dinner, supper or by some other name, and without regard to the manner, time or place of service.

*(Added July 1, 2000.)*

**§ 19-11. Levy.** There is hereby imposed and levied by the Town on each person a tax at the rate of 6% on the amount paid for Meals purchased from any Food Establishment, whether prepared in such Food Establishment or not, and whether consumed on the premises or not. *(Added July 1, 2000; Amended July 1, 2005; Amended July 1, 2012.)* (See Va. Code, § 58.1-3840.)

**§ 19-12. Collection of tax by seller.** Every person receiving any payment for food with respect to which a tax is levied hereunder shall collect and remit the amount of the tax imposed by this ordinance from the person on whom the same is levied or from the person paying for such food at the time payment for such food is made; provided, however, no blind person operating a vending stand or other business enterprise under the jurisdiction of the Department for the Visually Handicapped and located on property acquired and used by the United States for any military or naval purpose shall be required to collect or remit such taxes. All tax collection shall be deemed to be held in trust for the town.

*(Added July 1, 2000.)*

**§ 19-13. Exemptions; limits on application.**

- (a) The tax imposed under this ordinance shall not be levied on factory-prepackaged candy, gum, nuts and other items of essentially the same nature served for on or off-premises consumption.
- (b) The tax imposed under this ordinance shall not be levied on the following items when served exclusively for off-premises consumption:
  - (1) Donuts, crackers, nabs, chips, cookies and other factory-prepackaged items of essentially the same nature.
  - (2) Food sold in bulk. For the purposes of this provision, a bulk sale shall mean the sale of any item that would exceed the normal, customary and usual portion sold for on premises consumption (e.g. a whole cake, a gallon of ice cream); a bulk sale shall not include any food or beverage that is catered or delivered by a food establishment for off-premises consumption.
  - (3) Alcoholic and non-alcoholic beverages sold in factory sealed containers.
  - (4) Any food or food product purchased with food coupons issued by the United States Department of Agriculture under the Food Stamp Program or drafts issued through the Virginia Special Supplemental Food Program for Women, Infants, and Children.
  - (5) Any food or food product purchased for home consumption as defined in the federal Food Stamp Act of 1977, 7 U.S.C. § 2012, as amended except hot food or hot food products ready for immediate consumption. For the purposes of administering the tax levied hereunder, the following items whether or not purchased for immediate consumption are excluded from the said definition of “food” in the federal Food Stamp Act: sandwiches, salad bar items sold from a salad bar, prepackaged single-serving salads consisting primarily of an assortment of vegetables, and nonfactory sealed

beverages. This subsection shall not affect provisions set forth in subparagraphs (d) (3), (4) and (5) hereinbelow.

- (c) A grocery store, supermarket or convenience store shall not be subject to the tax except for any portion or section therein designated as a delicatessen or designated for the sale of prepared food and beverages.
- (d) The tax imposed hereunder shall not be levied on the following purchases of food and beverages:
  - (1) Food and beverages furnished by food establishments to employees as part of their compensation when no charge is made to the employee.
  - (2) Food and beverages sold by day care centers, public or private elementary or secondary schools or food sold by any college or university to its students or employees.
  - (3) Food and beverages for use or consumption and which are paid for directly by the Commonwealth, any political subdivision of the Commonwealth or the United States.
  - (4) Food and beverages furnished by a hospital, medical clinic, convalescent home, nursing home, home for the aged, infirm, handicapped, battered women, narcotic addicts or alcoholics, or other extended care facility to patients or residents thereof and the spouses and children of such persons.
  - (5) Food and beverages furnished by a public or private non-profit charitable organization or establishment or a private establishment that contracts with the appropriate agency of the Commonwealth to offer meals at concession prices to elderly, infirm, blind, handicapped or needy persons in their homes or at central locations.
  - (6) Food and beverages sold on an occasional basis, not exceeding 12 times per calendar year, by a non-profit educational, charitable or benevolent organization, church, or religious body as a fundraising activity, the gross proceeds of which are to be used by such organization exclusively for non-profit educational, charitable, benevolent or religious purposes.
  - (7) Food and beverages sold through vending machines.

*(Added July 1, 2000.)*

**§ 19-14. Gratuities and service charges.** Where a purchaser provides a gratuity for an employee of a seller, and the amount of the gratuity is wholly in the discretion of the purchaser, the gratuity is not subject to the tax imposed by this ordinance, whether paid in cash to the employee or added to the bill and charged to the purchaser's account, provided in

the latter case, the full amount of the gratuity is turned over to the employee by the seller. An amount or percent, whether designated as a gratuity, tip or service charge, that is added to the price of the food and beverages by the seller, and required to be paid by the purchaser, as a part of the selling price of the food and beverages is subject to the tax imposed by this ordinance, to the extent that it does not exceed 20% of the sales price.

*(Added July 1, 2000; May, 11, 2010.)*

**§ 19-15. Report of taxes collected; remittance; preservation of records.**

- (a) It shall be the duty of every person required by this ordinance to pay to the town the taxes imposed by this ordinance to make a report thereof setting forth such information as the Treasurer may prescribe and require, including all purchases taxable under this ordinance, the amount charged the purchaser for each such purchase, the date thereof, the taxes collected thereon and the amount of tax required to be collected by this ordinance.
- (b) Reports and tax payments for the months of January, February and March shall be made on or before the following April 20th. Reports and tax payments for the months of April, May, and June shall be made on or before the following July 20th. Reports and tax payments for the months of July, August, and September shall be made on or before the following October 20th. Reports and tax payments for the months of October, November, and December shall be made on or before the following January 20th.
- (c) Further, every such person shall maintain records supporting the reports required by paragraph (a) of this section. Such records shall be kept and preserved for a period of five (5) years. The Treasurer or his duly authorized agents shall have the power to examine such records at reasonable times and without unreasonable interference with the business of such person, for the purpose of administering and enforcing the provisions of this ordinance, and to make transcripts of all or any parts thereof.

*(Added July 1, 2000.)*

**§ 19-16. Penalty for violation of Chapter.**

- (a) Interest and penalties; collection.
  - (1) Penalties. Should any tax due under this Chapter not be paid when due, the Treasurer shall assess a penalty according to the following schedule:
    - A. 10% of the tax due, if payment is made within one month of the due date;

- B. 15% of the tax due, if payment is made more than one month after the due date, but not more than two months afterward;
  - C. 20% of the tax due, if payment is made more than two months after the due date, but not more than three months afterward;
  - D. 25% of the tax due, if payment is made more than three months afterward.
- (2) Interest. In addition to the penalties provided for in paragraph (a)(1) above, interest shall accrue on any delinquent taxes at the annual rate of 10%, beginning on the day after the due date. Likewise, any Meals Taxes paid on an erroneous assessment shall be refunded with interest at the rate of 10% per annum.
  - (3) Penalties and interest shall not be imposed if the failure to pay the tax was not the fault of the taxpayer, as determined by the Treasurer.
  - (4) Should the Town consult an attorney with respect to the collection of delinquent Meals Taxes, the taxpayer shall also be responsible for the Town's attorneys' fees, in a reasonable amount not to exceed 20% of the taxes collected by—or upon the advice of—the attorney.
- (b) Criminal Sanctions Any person willfully (i) failing or refusing to file a return or under this Chapter or (ii) failing to collect or pay over the tax imposed hereby, shall, upon conviction thereof, be guilty of a class 1 misdemeanor; provided, however, that if the assessed tax is \$1,000.00 or less, such violation shall be a class 3 misdemeanor.

*(Added July 1, 2000; amended July 1, 2005.)*(See also Va. Code §§ 58.1-3906, 58.1-3907, 58.1-3916.)

**§ 19-17. Regulations.** The Treasurer is authorized to adopt rules and regulations not inconsistent with the provisions of this Chapter for the purpose of carrying out and enforcing the payment, collection, and remittance of the tax levied by this Chapter. A copy of those rules and regulations shall be on file and available for public examination in the Treasurer's office. Failure or refusal to comply with any rules and regulations promulgated under this section shall be deemed a violation of this Chapter. The Treasurer shall develop regulations which provide for the random auditing of Food Establishments to ensure compliance with this Chapter. *(Added July 1, 2000; Amended May, 11, 2010.)*

## **CHAPTER 2** **Cigarette Tax**

*(Enacted May 8, 2012; Effective July 1, 2012.)*

**§ 19-201. Definitions.** For the purpose of this Chapter, the following words shall carry the definitions set forth in this section, unless the context shall plainly require otherwise: (Words

used in the present tense include the future. Words in the singular include the plural, and the plural includes the singular.)

- (1) *Person* .....Any individual, partnership, society, association, joint stock company, corporation, estate, receiver, trustee, assignee, referee or any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, and any combination of individuals.
- (2) *Pack* .....A pack of 20 cigarettes. Wherever packs contain greater or fewer than 20 cigarettes, the tax imposed hereby shall be prorated on a per-cigarette basis.

**LEGISLATIVE INTENT:** For instance, the tax on a pack of 25 cigarettes would be 125% of that specified in § 19-202.

- (3) *Sell (or Sold)* .....Every action, irrespective of the method or means employed, including the use of vending machines and other mechanical devices, whereby title to any cigarettes shall be transferred from the Seller to any other Person within the corporate limits of the Town.
- (4) *Seller* .....Every Person who Sells cigarettes in the Town for any purpose other than resale.

**§ 19-202. Levy of Tax.** There is levied a tax of 10¢ per Pack Sold at retail in the Town. The tax levied and imposed by this Chapter shall be in addition to all other taxes of every kind levied and imposed by any other ordinance or law. The tax is to be paid by the purchaser and collected and remitted by the Seller. (Code of Virginia, §§ 58.1-3830, 58.1-3840.)

**§ 19-203. Report of taxes collected; remittance; preservation of records.**

- (a) It shall be the duty of every Seller to pay to the Town the tax imposed by § 19-202 and to make a report thereof setting forth such information as the Treasurer may require. In addition to any other information required by the Treasurer, these reports shall contain a summary of all sales taxable under this Chapter and the taxes collected thereon.
- (b) Reports and tax payments for the months of January, February and March shall be made on or before the following April 20<sup>th</sup>. Reports and tax payments for the months of April, May, and June shall be made on or before the following July 20. Reports and tax payments for the months of July, August, and September shall be made on or before the following October 20<sup>th</sup>. Reports and tax payments for the months of October, November, and December shall be made on or before the following January 20<sup>th</sup>.
- (c) Further, every Seller shall maintain records supporting the reports required by paragraph (a) of this section. Such records shall reflect all cigarette sales made by the Seller and the date thereof, and such records shall be kept and preserved



for a period of five (5) years. The Treasurer or her duly authorized agents shall have the power to examine such records at reasonable times and without unreasonable interference with the business of the Seller, for the purpose of administering and enforcing the provisions of this Chapter, and to make transcripts or copies of all or any parts thereof.

- (d) Packs need not display stamps or other indicia that the tax imposed by this Chapter has been paid.

(See Va. Code, §58.1-3832.)

**§ 19-204. Violation.**

- (a) Should any tax due under this Chapter not be paid by the applicable deadline, there shall be added to any such tax a late-payment penalty of 10% per month.
- (b) Additionally, should any Seller engage in fraud or evasion of the tax imposed by §19-202, there shall be imposed a penalty of 50% of the tax due.
- (c) On any overdue tax, interest at the rate of 0.75% per month shall accrue.
- (d) Additionally, any violation of this Chapter shall constitute a Class 1 misdemeanor and punished in accordance with § 1-4 of the Town Code. (See Va. Code, §58.1-3832.)

**CHAPTER 3**

**License Taxes**

**(Recodified from Title 2.01 by Ordinance O2018-6)**

**§ 19-301. Overriding Conflicting Ordinances.** Except as may be otherwise provided by the law of the Commonwealth of Virginia, and notwithstanding any other current ordinances or resolutions enacted by this council, whether or not compiled in the Town Code, to the extent of any conflict, the following provisions shall be applicable to the levy, Assessment, and collection of licenses required and taxes imposed on businesses, trades, professions and callings and upon the persons, firms and corporations engaged therein within the Town.

**§ 19-302. Definitions.** For the purposes of this ordinance, unless otherwise required by the context:

- (a) “Affiliated Group” means:
  - (1) One or more chains of includable corporations connected through stock ownership with a common parent corporation which is an includable corporation if:
    - (A) Stock possessing at least eighty percent of the voting power of all classes of stock and at least eighty percent of each class of the nonvoting stock of each of the includable corporations, except

the common parent corporation, is owned directly by one or more of the other includable corporations; and

- (B) The common parent corporation directly owns stock possessing at least eighty percent of the voting power of all classes of stock and at least eighty percent of each class of the nonvoting stock of at least one of the other includable corporations. As used in this subdivision, the term “stock” does not include nonvoting stock which is limited and preferred as to dividends. The term “includable corporation” means any corporation within the Affiliated Group irrespective of the state or country of its incorporation; and the term “receipts” includes Gross Receipts and gross income.
- (b) Two or more corporations if five or fewer persons who are individuals, estates or trusts own stock possessing:
    - (A) At least eighty percent of the total combined voting power of all classes of stock entitled to vote or at least eighty percent of the total value of shares of all classes of the stock of each corporation, and
    - (B) More than fifty percent of the total combined voting power of all classes of stock entitled to vote or more than fifty percent of the total value of shares of all classes of stock of each corporation, taking into account the stock ownership of each such person only to the extent such stock ownership is identical with respect to each such corporation.

When one or more of the includable corporations, including the common parent corporation is a nonstock corporation, the term “stock” as used in this subdivision shall refer to the nonstock corporation membership or membership voting rights, as is appropriate to the context.

(Va. Code, § 58.1-3700.1)

- (b) “Assessment” means a determination as to the proper rate of tax, the measure to which the tax rate is applied, and ultimately the amount of tax, including

**LEGISLATIVE INTENT:** The exclusion for Short-Term is simpler than the double-negative would suggest. Hotels, motels, and all types of bed and breakfast establishments *are* businesses under this chapter. Other types of Short-Term Rentals, however, are not.

The reason is that Va. Code, § 15.2-983 provides that STR’s which have business licenses are exempt from the registration requirements the Town has adopted in § 17-301. The Town’s objectives require registration for smaller STR’s, which are typically in single-family homes. Therefore, those smaller STR’s are exempt from the business-license requirement in this chapter.

At the risk of oversimplifying a little, bed and breakfasts, hotels, and motels obtain business licenses under this chapter. Smaller STR’s register under § 17-301.

omitted tax, that is due. An Assessment shall include a written Assessment made pursuant to notice by the assessing official or a self-Assessment made by a taxpayer upon the filing of a return or otherwise not pursuant to notice. Assessments shall be deemed made by an assessing official when a written notice of Assessment is delivered to the taxpayer by the assessing official or an employee of the assessing official, or mailed to the taxpayer at his last known address. Self-assessments shall be deemed made when a return is filed, or if no return is required, when the tax is paid. A return filed or tax paid before the last day prescribed by ordinance for the filing or payment thereof shall be deemed to be filed or paid on the last day specified for the filing of a return or the payment of tax, as the case may be. (Va. Code, § 58.1-3700.1)

- (c) “Assessor” or “Assessing Official” means the Town Treasurer.
- (d) “Base Year” means the calendar year preceding the License Year, subject to the provisions of § 2.01-10(c). (Va. Code, § 58.1-3700.1)
- (e) “Business” means a course of dealing which requires the time, attention and labor of the person so engaged for the purpose of earning a livelihood or profit. It implies a continuous and regular course of dealing, rather than an irregular or isolated transaction. Notwithstanding any other provision of this chapter, the term “Business” does not include (i) occasional festivals, carnivals, and other fund-raising events held on the Town’s Lawn Party Grounds, or (ii) Short-Term Rentals (as defined in § 17-301) which are not hotels, motels, bed and breakfast facilities, or Limited Bed and Breakfast Facilities (as defined in § 6-22(9)). A person may be engaged in more than one Business. The following acts shall create a rebuttable presumption that a person is engaged in a Business: (i) advertising or otherwise holding oneself out to the public as being engaged in a particular Business; or (ii) filing tax

returns, schedules and documents that are required only of persons engaged in a trade or Business. (Va. Code, § 58.1-3700.1) (Amended January 8, 2019.)

- (f) “Contractor” shall have the meaning prescribed in § 58.1-3714(B) of the Code of Virginia, as amended, whether such work is done or offered to be done by day labor, general contract or subcontract.
- (g) “Definite Place of Business” means an office or a location at which occurs a regular and continuous course of dealing for thirty consecutive days or more. A Definite Place of Business for a person engaged in Business may include a location leased or otherwise obtained from another person on a temporary or seasonal basis; and real property leased to another. A person's residence shall be deemed to be a Definite Place of Business if there is no Definite Place of Business maintained elsewhere and the person is not licensable as a peddler or itinerant merchant.
- (g1) “Festival Merchant” means an Itinerant Merchant whose only transactions in Town are as a vendor invited by the Town to participate in a celebration or festival sponsored by the Town (or invited by the Bridgewater Volunteer Fire Company to its annual Lawn Party). (Added May 8, 2018.)
- (h) “Financial Services” means the buying, selling, handling, managing, investing, and providing of advice regarding money, credit, securities and other investments and shall include the service for compensation by a credit agency, an investment company, a Broker or Dealer in Securities and Commodities or a Security or Commodity exchange, unless such service is otherwise provided for in this ordinance.
  - (1) “Broker” shall mean an agent of a buyer or a seller who buys or sells stocks, bonds, commodities, or Services, usually on a commission basis.
  - (2) “Commodity” shall mean staples such as wool, cotton, etc. which are traded on a commodity exchange and on which there is trading in futures.
  - (3) “Dealer” for purposes of this ordinance shall mean any person engaged in the business of buying and selling securities for his own account, but does not include a bank, or any person insofar as he buys or sells securities for his own account, either individually or in some fiduciary capacity, but not as part of a regular Business.
  - (4) “Security” for purposes of this ordinance shall have the same meaning as in the Securities Act (§ 12.01-501 et seq.) of the Code of Virginia, or in similar laws of the United States regulating the sale of securities.

Those engaged in rendering Financial Services include, but without limitation, the following:

Buying installment receivables,  
Chattel mortgage financing,  
Consumer financing,  
Credit card Services,  
Credit Unions,  
Factors,  
Financing accounts receivable,  
Industrial loan companies,  
Installment financing,  
Inventory financing,  
Loan or mortgage brokers,  
Loan or mortgage companies,  
Safety deposit box companies,  
Security and commodity brokers and Services,  
Stockbroker, and  
Working capital financing.

(Va. Code, § 58.1-3700.1)

- (i) “Gross Receipts” means the whole, entire, total receipts attributable to the licensed privilege, without deduction, except as may be limited by the provisions of Chapter 37 of Title 58.1 of the Code of Virginia. (Va. Code, §§ 58.1-3700.1, 58.1-3732, 58.1-3732.1, 58.1-3732.2, 58.1-3732.3, 58.1-3732.4)
- (i1) “Itinerant Merchant” means any person who engages in, does, or transacts any temporary or transient business in any locality and who, for the purpose of carrying on such business, occupies any location for a period of less than one year. (see Va. Code, § 58.1-3717) (Added May 8, 2018.)

**LEGISLATIVE INTENT:** Vendors based in food trucks are typically Itinerant Merchants.

- (j) “License Year” means the calendar year for which a license is issued for the privilege of engaging in Business. (Va. Code, § 58.1-3700.1)
- (j1) “Peddler” means any person who shall carry from place to place any goods, wares or merchandise and offer to sell or barter the same, or actually sell or barter the same. (See Va. Code, § 58.1-3717) (Added May 8, 2018.)
- (k) “Personal Services” shall mean rendering for compensation any repair, personal, business or other Services not specifically classified as “financial, real estate or professional service” under this ordinance, or rendered in any other Business or occupation not specifically classified in this ordinance

unless exempted from local license tax by Title 58.1 of the Code of Virginia.

- (l) “Professional Services” means Services performed by architects, attorneys-at-law, certified public accountants, dentists, engineers, land surveyors, surgeons, veterinarians, and practitioners of the healing arts (the arts and sciences dealing with the prevention, diagnosis, treatment and cure or alleviation of human physical or mental ailments, conditions, diseases, pain or infirmities) and such occupations, and no others, as the Virginia Department of Taxation may list in the BPOL guidelines promulgated pursuant to § 58.1-3701 of the Code of Virginia. The Department shall identify and list each occupation or vocation in which a professed knowledge of some department of science or learning, gained by a prolonged course of specialized instruction and study is used by its practical application to the affairs of others, either advising, guiding, or teaching them, and in serving their interests or welfare in the practice of an art or science founded on it. The word “professional” implies attainments in professional knowledge as distinguished from mere skill, and the application of knowledge to uses for others rather than for personal profit. (Va. Code, § 58.1-3700.1)
  
- (m) “Purchases” shall mean all goods, wares and merchandise received for sale at each Definite Place of Business of a Wholesale Merchant. The term shall also include the cost of manufacture of all goods, wares and merchandise manufactured by a any Wholesaler or Wholesale Merchant and sold or offered for sale. Such merchant may elect to report the Gross Receipts from the sale of manufactured goods, wares and merchandise if it cannot determine or chooses not to disclose the cost of manufacture. (Va. Code, § 58.1-3700.1)
  
- (n) “Real Estate Services” shall mean rendering a service for compensation as lessor, buyer, seller, agent or broker and providing a real estate service, unless the service is otherwise specifically provided for in this ordinance, and such Services include, but are not limited to, the following:
  - Appraisers of real estate,
  - Escrow agents, real estate,
  - Fiduciaries, real estate,
  - Lessors of real property,
  - (This tax was in effect on January 1, 1974. See Va. Code, § 58.1-3703(b)(7))
  - Real estate agents, brokers and managers,
  - Real estate selling agents, and
  - Rental agents for real estate,(Va. Code, § 58.1-3700.1)
  
- (o) “Retailer” or “Retail Merchant” shall mean any person or merchant who sells goods, wares and merchandise for use or consumption by the purchaser or for any purpose other than resale by the purchaser, but does not include sales at wholesale to institutional, commercial and industrial users.

- (p) “Services” shall mean things purchased by a customer which do not have physical characteristics, or which are not goods, wares, or merchandise.
- (q) “Wholesaler” or “Wholesale Merchant” shall mean any person or merchant who sells wares and merchandise for resale by the purchaser, including sales when the goods, wares and merchandise will be incorporated into goods and Services for sale, and also includes sales to institutional, commercial, government and industrial users which because of the quantity, price, or other terms indicate that they are consistent with sales at wholesale.

**§ 19-303. License Requirement.** Every person engaging in the Town in any Business, trade, profession, occupation or calling (collectively hereinafter “a Business”) as defined in this ordinance, unless otherwise exempted by law, shall apply for a license for each such Business if (i) such person maintains a Definite Place of Business in this Town, (ii) such person does not maintain a definite office anywhere but does maintain an abode in this Town, which abode for the purposes of this ordinance shall be deemed a Definite Place of Business, or (iii) there is no Definite Place of Business but such person operates amusement machines, is classified as a peddler or itinerant merchant, carnival, or circus, or is a Contractor subject to § 58.1-3715 of the Code of Virginia, or is a public service corporation. A separate license shall be required for each Definite Place of Business and for each business. A person engaged in two or more businesses or professions carried on at the same place of business may elect to obtain one license for all such businesses and professions if all of the following criteria are satisfied: (i) each Business or profession is subject to licensure at the location and has satisfied any requirements imposed by state law or other provisions of the ordinances of this Town; (ii) all of the businesses or professions are subject to the same tax rate, or, if subject to different tax rates, the licensee agrees to be taxed on all businesses and professions at the highest rate; and (iii) the taxpayer agrees to supply such information as the assessor may require concerning the nature of the several businesses and their Gross Receipts. (Virginia Code, § 58.1-3703.1)

**§ 19-304. Due Dates and Penalties.**

- (a) Each person subject to a license tax shall apply for a license prior to beginning business, if he was not subject to licensing in this Town on or before January 1 of the License Year, or no later than March 1 of the current License Year if he had been issued a license for the preceding License Year. The application shall be on forms prescribed by the assessing official.
- (b) The tax shall be paid with the application in the case of any license not based on Gross Receipts. If the tax is measured by the Gross Receipts of the Business, the tax shall be paid on or before March 1, or in the case of new businesses, not later than 30 days after beginning business.
- (c) The assessing official may grant an extension of time, not to exceed 90 days, in which to file an application for a license, for reasonable cause. The extension shall be conditioned upon the timely payment of a reasonable estimate of the appropriate tax, subject to adjustment to the correct tax at the

end of the extension together with interest from the due date until the date paid and, if the estimate submitted with the extension is found to be unreasonable under the circumstances, a penalty of ten percent of the portion paid after the due date.

- (d) A penalty of ten percent of the tax may be imposed upon the failure to file an application or the failure to pay the tax by the appropriate due date. Only the late filing penalty shall be imposed by the assessing official if both the application and payment are late; however, both penalties may be assessed if the assessing official determines that the taxpayer has a history of noncompliance. In the case of an Assessment of additional tax made by the assessing official, if the application and, if applicable, the return were made in good faith and the understatement of the tax was not due to any fraud, reckless or intentional disregard of the law by the taxpayer, there shall be no late payment penalty assessed with the additional tax. If any Assessment of tax by the assessing official is not paid within thirty days the treasurer may impose a ten percent late payment penalty. The penalties shall not be imposed, or if imposed, shall be abated by the official who assessed them, if the failure to file or pay was not the fault of the taxpayer. In order to demonstrate lack of fault, the taxpayer must show that he acted responsibly and that the failure was due to events beyond his control.

“Acted responsibly” means that: (i) the taxpayer exercised the level of reasonable care that a prudent person would exercise under the circumstances in determining the filing obligations for the Business and (ii) the taxpayer undertook significant steps to avoid or mitigate the failure, such as requesting appropriate extensions (where applicable), attempting to prevent a foreseeable impediment, acting to remove an impediment once it occurred, and promptly rectifying a failure once the impediment was removed or the failure discovered.

“Events beyond the taxpayer's control” include, but are not limited to, the unavailability of records due to fire or other casualty; the unavoidable absence (*e.g.*, due to death or serious illness) of the person with the sole responsibility for tax compliance; or the taxpayer's reasonable reliance in good faith upon erroneous written information from the assessing official, who was aware of the relevant facts relating to the taxpayer's Business when he provided the erroneous information.

- (e) Interest shall be charged on the late payment of the tax from the due date until the date paid without regard to fault or other reason for the late payment. Whenever an Assessment of additional or omitted tax by the assessing official is found to be erroneous, all interest and penalty charged and collected on the amount of the Assessment found to be erroneous shall be refunded together with interest on the refund from the date of payment or the due date, whichever is later. Interest shall be paid on the refund of any tax paid under



this ordinance from the date of payment or due date, whichever is later, whether attributable to an amended return or other reason. Interest on any refund shall be paid at the annual rate of ten percent, or such higher rate as is allowed under Virginia Code, § 58.1-3916.

No interest shall accrue on an adjustment of estimated tax liability to actual liability at the conclusion of a Base Year. No interest shall be paid on a refund or charged on a late payment, in event of such adjustment, provided the refund or the late payment is made not more than thirty days from (i) the date of the payment that created the refund, or (ii) the due date of the tax, whichever is later.

(Virginia Code, § 58.1-3703.1)

**§ 19-305. *Situs of Gross Receipts.***

(a) *General rule.* Whenever the tax imposed by this ordinance is measured by Gross Receipts, the Gross Receipts included in the taxable measure shall be only those Gross Receipts attributed to the exercise of a licensable privilege at a Definite Place of Business within this Town. In the case of activities conducted outside of a Definite Place of Business, such as during a visit to a customer location, the Gross Receipts shall be attributed to the Definite Place of Business from which such activities are initiated, directed, or controlled. The situs of Gross Receipts for different classifications of Business shall be attributed to one or more Definite Places of Business or offices as follows:

- (1) The Gross Receipts of a Contractor shall be attributed to the Definite Place of Business at which his Services are performed, or if his Services are not performed at any Definite Place of Business, then the Definite Place of Business from which his Services are directed or controlled, unless the Contractor is subject to the provisions of § 58.1-3715 of the Code of Virginia.
- (2) The Gross Receipts of a Retailer or Wholesaler shall be attributed to the Definite Place of Business at which sales solicitation activities occur, or if sales solicitation activities do not occur at any Definite Place of Business, then the Definite Place of Business from which sales solicitation activities are directed or controlled; however, a Wholesaler or distribution house subject to a license tax measured by Purchases shall determine the situs of its Purchases by the Definite Place of Business at which or from which deliveries of the purchased goods, wares and merchandise are made to customers. Any Wholesaler who is subject to license tax in two or more localities and who is subject to multiple taxation because the localities use different measures, may apply to the Department of Taxation for a determination as to the proper measure of Purchases and Gross Receipts subject to license tax in each locality.

- (3) The Gross Receipts of a business renting tangible personal property shall be attributed to the Definite Place of Business from which the tangible personal property is rented or, if the property is not rented from any Definite Place of Business, then the Definite Place of Business at which the rental of such property is managed.
  - (4) The Gross Receipts from the performance of Services shall be attributed to the Definite Place of Business at which the Services are performed or, if not performed at any Definite Place of Business, then the Definite Place of Business from which the Services are directed or controlled.
- (b) *Apportionment.* If the licensee has more than one Definite Place of Business and it is impractical or impossible to determine to which Definite Place of Business Gross Receipts should be attributed under the general rule, except as to circumstances set forth in § 58.1-3709 of the Code of Virginia, the Gross Receipts of the business shall be apportioned between the definite places of businesses on the basis of payroll. Gross Receipts shall not be apportioned to a Definite Place of Business unless some activities under the applicable general rule occurred at, or were controlled from, such Definite Place of Business. Gross Receipts attributable to a Definite Place of Business in another jurisdiction shall not be attributed to this Town solely because the other jurisdiction does not impose a tax on the Gross Receipts attributable to the Definite Place of Business in such other jurisdiction.
- (c) *Agreements.* The assessor may enter into agreements with any other political subdivision of Virginia concerning the manner in which Gross Receipts shall be apportioned among Definite Places of Business. However, the sum of the Gross Receipts apportioned by the agreement shall not exceed the total Gross Receipts attributable to all of the Definite Places of Business affected by the agreement. Upon being notified by a taxpayer that its method of attributing Gross Receipts is fundamentally inconsistent with the method of one or more political subdivisions in which the taxpayer is licensed to engage in Business and that the difference has, or is likely to, result in taxes on more than 100% of its Gross Receipts from all locations in the affected jurisdictions, the assessor shall make a good faith effort to reach an apportionment agreement with the other political subdivisions involved.

(Virginia Code, § 58.1-3703.1)

**§ 19-306. *Limitations and extensions.***

- (a) Where, before the expiration of the time prescribed for the Assessment of any license tax imposed pursuant to this ordinance, both the assessing official and the taxpayer have consented in writing to its Assessment after such time, the tax may be assessed at any time prior to the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.

- (b) Notwithstanding § 58.1-3903 of the Code of Virginia, the assessing official shall assess the local license tax omitted because of fraud or failure to apply for a license for the current License Year and the six preceding years, provided that no tax shall be assessed for the 1993 License Year or earlier years.
- (c) The period for collecting any local license tax shall not expire prior to the period specified in § 58.1-3940 of the Code of Virginia, two years after the date of Assessment if the period for Assessment has been extended pursuant to this subdivision, two years after the final determination of an appeal for which collection has been suspended pursuant to § 2.01-7, or two years after the final decision in a court application pursuant to § 58.1-3984 of the Code of Virginia or similar law for which collection has been stayed, whichever is later.

(Virginia Code, § 58.1-3703.1)

**§ 19-307. Appeals and Rulings.**

- (a) Definitions. For purposes of this section:

"Amount in dispute," when used with respect to taxes due or assessed, means the amount specifically identified in the administrative appeal or application for judicial review as disputed by the party filing such appeal or application.

"Appealable event" means an increase in the assessment of a local license tax payable by a taxpayer, the denial of a refund, or the assessment of a local license tax where none previously was assessed, arising out of the local assessing official's (i) examination of records, financial statements, books of account, or other information for the purpose of determining the correctness of an assessment; (ii) determination regarding the rate or classification applicable to the licensable business; (iii) assessment of a local license tax when no return has been filed by the taxpayer; or (iv) denial of an application for correction of erroneous assessment attendant to the filing of an amended application for license.

An appealable event shall include a taxpayer's appeal of the classification applicable to a business, including whether the business properly falls within a business license subclassification established by the Town, regardless of whether the taxpayer's appeal is in conjunction with an assessment, examination, audit, or any other action taken by the Town.

"Frivolous" means a finding, based on specific facts, that the party asserting the appeal is unlikely to prevail upon the merits because the appeal is (i) not well grounded in fact; (ii) not warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law; (iii) interposed for an improper purpose, such as to harass, to cause unnecessary delay in the payment of tax or a refund, or to create needless cost from the litigation; or (iv) otherwise frivolous.

"Jeopardize by delay" means a finding, based on specific facts, that a taxpayer

desires to (i) depart quickly from the locality; (ii) remove his property therefrom; (iii) conceal himself or his property; or (iv) do any other act tending to prejudice, or to render wholly or partially ineffectual, proceedings to collect the tax for the period in question.

(b) Administrative appeals to Treasurer.

(1) Filing and contents of administrative appeal. Any person assessed with a local license tax as a result of an appealable event as defined in this section may file an administrative appeal of the assessment within one year from the last day of the tax year for which such assessment is made, or within one year from the date of the appealable event, whichever is later, with the Treasurer. The appeal must be filed in good faith and sufficiently identify the taxpayer, the tax periods covered by the challenged assessments, the amount in dispute, the remedy sought, each alleged error in the assessment, the grounds upon which the taxpayer relies, and any other facts relevant to the taxpayer's contention. The Treasurer may hold a conference with the taxpayer if requested by the taxpayer, or require submission of additional information and documents, an audit or further audit, or other evidence deemed necessary for a proper and equitable determination of the appeal. The assessment placed at issue in the appeal shall be deemed *prima facie* correct. The Treasurer shall undertake a full review of the taxpayer's claims and issue a written determination to the taxpayer setting forth the facts and arguments in support of his decision.

The taxpayer may at any time also file an administrative appeal of the classification applicable to the taxpayer's business, including whether the business properly falls within a business license subclassification established by the Town. However, the appeal of the classification of the business shall not apply to any license year for which the Tax Commissioner has previously issued a final determination relating to any license fee or license tax imposed upon the taxpayer's business for the year. In addition, any appeal of the classification of a business shall in no way affect or change any limitations period prescribed by law for appealing an assessment.

(2) Notice of right of appeal and procedures. Every assessment made by the Treasurer pursuant to an appealable event shall include or be accompanied by a written explanation of the taxpayer's right to file an administrative appeal and the specific procedures to be followed in the jurisdiction, the name and address to which the appeal should be directed, an explanation of the required content of the appeal, and the deadline for filing the appeal.

(3) Suspension of collection activity during appeal. Provided a timely and complete administrative appeal is filed, collection activity with respect to the amount in dispute relating to any assessment by Treasurer shall be suspended until a final determination is issued by the Treasurer, unless (i) the Treasurer determines that collection would be jeopardized by delay as defined in this section; (ii) the taxpayer has not

responded to a request for relevant information after a reasonable time; or (iii) the appeal is frivolous as defined in this section. Interest shall accrue in accordance with the provisions of § 2.01-4(e), but no further penalty shall be imposed while collection action is suspended.

- (4) Procedure in event of nondecision. Any taxpayer whose administrative appeal to the Treasurer has been pending for more than one year without the issuance of a final determination may, upon not less than 30 days' written notice to the Treasurer, elect to treat the appeal as denied and appeal the assessment or classification of the taxpayer's business to the Tax Commissioner in accordance with the provisions of paragraph (c) below. The Tax Commissioner shall not consider an appeal filed pursuant to the provisions of this paragraph (b)(4) if he finds that the absence of a final determination on the part of the Treasurer was caused by the willful failure or refusal of the taxpayer to provide information requested and reasonably needed by the Treasurer to make his determination.
- (c) Administrative appeal to the Tax Commissioner.
- (1) Any person assessed with a local license tax as a result of a determination or that has received a determination with regard to the person's appeal of the license classification or subclassification applicable to the person's business, upon an administrative appeal to the Treasurer pursuant to paragraph (b), that is adverse to the position asserted by the taxpayer in such appeal may appeal such assessment to the Tax Commissioner within 90 days of the date of the determination by the Treasurer. The appeal shall be in such form as the Tax Commissioner may prescribe and the taxpayer shall serve a copy of the appeal upon the Treasurer. The Tax Commissioner shall permit the Treasurer to participate in the proceedings, and shall issue a determination to the taxpayer within 90 days of receipt of the taxpayer's application, unless the taxpayer and the Treasurer are notified that a longer period will be required. The appeal shall proceed in the same manner as an application pursuant to Va. Code § 58.1-1821, and the Tax Commissioner may issue an order correcting such assessment or correcting the license classification or subclassification of the business and the related license tax or fee liability. (Amended May 8, 2018.)
  - (2) Suspension of collection activity during appeal. On receipt of a notice of intent to file an appeal to the Tax Commissioner paragraph under (c)(1) above, collection activity with respect to the amount in dispute relating to any assessment by the Treasurer shall be suspended until a final determination is issued by the Tax Commissioner, unless the Treasurer (i) determines that collection would be jeopardized by delay as defined in this section; (ii) determines—or is advised by the Tax Commissioner—that the taxpayer has not responded to a request for relevant information after a reasonable time; or (iii) determines that the appeal is frivolous as defined in this section. Interest shall accrue in

accordance with the provisions of § 19-304(e), but no further penalty shall be imposed while collection action is suspended. The requirement that collection activity be suspended shall cease unless an appeal pursuant to paragraph (c)(1) is filed and served on the necessary parties within 30 days of the service of notice of intent to file such appeal.

- (3) Implementation of determination of Tax Commissioner. Promptly upon receipt of the final determination of the Tax Commissioner with respect to an appeal pursuant to paragraph (c)(1), the Treasurer shall take those steps necessary to calculate the amount of tax owed by or refund due to the taxpayer consistent with the Tax Commissioner's determination and shall provide that information to the taxpayer in accordance with the provisions of this subdivision.
- (A) If the determination of the Tax Commissioner sets forth a specific amount of tax due, the Treasurer shall issue a bill to the taxpayer for such amount due, together with interest accrued and penalty, if any is authorized by this section, within 30 days of the date of the determination of the Tax Commissioner.
- (B) If the determination of the Tax Commissioner sets forth a specific amount of refund due, the Treasurer shall issue a payment to the taxpayer for such amount due, together with interest accrued pursuant to this section, within 30 days of the date of the determination of the Tax Commissioner.
- (C) If the determination of the Tax Commissioner does not set forth a specific amount of tax due, or otherwise requires the Treasurer to undertake a new or revised assessment that will result in an obligation to pay a tax that has not previously been paid in full, the Treasurer shall promptly commence the steps necessary to undertake such new or revised assessment, and provide the same to the taxpayer within 60 days of the date of the determination of the Tax Commissioner, or within 60 days after receipt from the taxpayer of any additional information requested or reasonably required under the determination of the Tax Commissioner, whichever is later. The Treasurer shall issue a bill to the taxpayer for the amount due, together with interest accrued and penalty, if any is authorized by this section, within 30 days of the date of the new assessment.
- (D) If the determination of the Tax Commissioner does not set forth a specific amount of refund due, or otherwise requires the Treasurer to undertake a new or revised assessment or to determine the amount of refund due in the case of a correction to the license classification or subclassification of the business, that will result in an obligation on the part of the locality to make a refund of taxes previously paid, the Treasurer shall promptly commence the steps necessary to undertake such new or revised assessment, and provide the same to the taxpayer within 60 days

of the date of the determination of the Tax Commissioner, or within 60 days after receipt from the taxpayer of any additional information requested or reasonably required under the determination of the Tax Commissioner, whichever is later. The Treasurer shall issue a refund to the taxpayer for the amount of tax due, together with interest accrued, within 30 days of the date of the new assessment.

(d) Judicial review of determination of Tax Commissioner.

(1) Judicial review. Following the issuance of a final determination of the Tax Commissioner pursuant to paragraph (c) above, the taxpayer or Treasurer may apply to the appropriate circuit court for judicial review of the determination, or any part thereof, pursuant to Va. Code, § 58.1-3984. In any such proceeding for judicial review of a determination of the Tax Commissioner, the burden shall be on the party challenging the determination of the Tax Commissioner, or any part thereof, to show that the ruling of the Tax Commissioner is erroneous with respect to the part challenged. Neither the Tax Commissioner nor the Department of Taxation shall be made a party to an application to correct an assessment merely because the Tax Commissioner has ruled on it.

(2) Suspension of payment of disputed amount of tax due upon taxpayer's notice of intent to initiate judicial review.

(A) On receipt of a notice of intent to file an application for judicial review, pursuant to § 58.1-3984, of a determination of the Tax Commissioner pursuant to paragraph (c), and upon payment of the amount of the tax relating to any assessment by the Treasurer that is not in dispute together with any penalty and interest then due with respect to such undisputed portion of the tax, the Treasurer shall further suspend collection activity while the court retains jurisdiction unless the court, upon appropriate motion after notice and an opportunity to be heard, determines that (i) the taxpayer's application for judicial review is frivolous, as defined in this section; (ii) collection would be jeopardized by delay, as defined in this section; or (iii) suspension of collection would cause substantial economic hardship to the locality. For purposes of determining whether substantial economic hardship to the locality would arise from a suspension of collection activity, the court shall consider the cumulative effect of then-pending appeals filed within the locality by different taxpayers that allege common claims or theories of relief.

(B) Upon a determination that the appeal is frivolous, that collection may be jeopardized by delay, or that suspension of collection would result in substantial economic hardship to the locality, the court may require the taxpayer to pay the amount in dispute or a portion thereof, or to provide surety for payment of the amount in dispute in a form acceptable to the court.

- (C) No suspension of collection activity shall be required if the application for judicial review fails to identify with particularity the amount in dispute or the application does not relate to any assessment made by the Treasurer.
  - (D) The requirement that collection activity be suspended shall cease unless an application for judicial review pursuant to Va. Code, § 58.1-3984 is filed and served on the necessary parties within 30 days of the service of the notice of intent to file such application.
  - (E) The suspension of collection activity authorized by this paragraph (d)(2) shall not be applicable to any appeal of a local license tax that is initiated by the direct filing of an action pursuant to § 58.1-3984 without prior exhaustion of the appeals provided by paragraphs (b) and (c).
- (3) Suspension of payment of disputed amount of refund due upon locality's notice of intent to initiate judicial review.
- (A) Payment of any refund determined to be due pursuant to the determination of the Tax Commissioner of an appeal pursuant paragraph (c) shall be suspended if the locality assessing the tax serves upon the taxpayer, within 60 days of the date of the determination of the Tax Commissioner, a notice of intent to file an application for judicial review of the Tax Commissioner's determination pursuant to § 58.1-3984 and pays the amount of the refund not in dispute, including tax and accrued interest. Payment of such refund shall remain suspended while the court retains jurisdiction unless the court, upon appropriate motion after notice and an opportunity to be heard, determines that the locality's application for judicial review is frivolous, as defined in this section.
  - (B) No suspension of refund activity shall be permitted if the locality's application for judicial review fails to identify with particularity the amount in dispute.
  - (C) The suspension of the obligation to make a refund shall cease unless an application for judicial review pursuant to Va. Code § 58.1-3984 is filed and served on the necessary parties within 30 days of the service of the notice of intent to file such application.
- (4) Accrual of interest on unpaid amount of tax. Interest shall accrue in accordance with the provisions of § 19-304(e), but no further penalty shall be imposed while collection action is suspended.
- (e) Rulings. Any taxpayer or authorized representative of a taxpayer may request a written ruling regarding the application of a local license tax to a specific situation from the Treasurer. Any person requesting such a ruling must provide all facts relevant to the situation placed at issue and may present a rationale for the basis of an interpretation of the law most favorable to the taxpayer. In addition, the taxpayer or authorized representative may request a written ruling with regard to the classification applicable to the taxpayer's



business, including whether the business properly falls within a business license subclassification established by the Town. Any misrepresentation or change in the applicable law or the factual situation as presented in the ruling request shall invalidate any such ruling issued. A written ruling may be revoked or amended prospectively if (i) there is a change in the law, a court decision, or the guidelines issued by the Department of Taxation upon which the ruling was based or (ii) the assessor notifies the taxpayer of a change in the policy or interpretation upon which the ruling was based. However, any person who acts on a written ruling which later becomes invalid shall be deemed to have acted in good faith during the period in which such ruling was in effect.

(Virginia Code § 58.1-3703.1) (Amended October 11, 2005; Amended May 8, 2018.)

**§ 19-308. Recordkeeping and audits.** Every person who is assessable with a license tax shall keep sufficient records to enable the assessor to verify the correctness of the tax paid for the license years assessable and to enable the assessor to ascertain what is the correct amount of tax that was assessable for each of those years. All such records, books of accounts and other information shall be open to inspection and examination by the assessor in order to allow the assessor to establish whether a particular receipt is directly attributable to the taxable privilege exercised within this Town. The assessor shall provide the taxpayer with the option to conduct the audit in the taxpayer's local business office, if the records are maintained there. In the event the records are maintained outside this Town, copies of the appropriate books and records shall be sent to the assessor's office upon demand. (Virginia Code, § 58.1-3703.1)

**§ 19-309. License Fee and Tax.** Every person or Business subject to licensure under the ordinance shall be assessed and required to pay annually:

- (a) A fee for the issuance of such license in the amount of \$20 (except for restaurants, as provided in paragraph (d) below); and (Amended October 11, 2005.)
- (b) Except as may be otherwise provided in §§ 58.1-3712, 58.1-3712.1 and 58.1-3713 of the Code of Virginia, every such person or Business shall be assessed and required to pay annually a license tax on all the Gross Receipts of such persons includable as provided in this ordinance at a rate set forth below for the class of enterprise listed. However, the fee imposed by paragraph (a) above shall be credited against the tax imposed by this paragraph, so if the fee is greater than the tax, no tax is due.
  - (1) For contractors and persons constructing for this own account for sale, \$0.12 per \$100 of Gross Receipts; (See Va. Code, § 58.1-3706)
  - (2) For retailers, \$0.15 per \$100 of Gross Receipts (except for restaurants, as provided in paragraph (d) below); (See Va. Code, § 58.1-3706)
  - (3) For providers of financial, real estate and Professional Services,

- (A) For Lessors of Real Property, \$.20 per \$100 of Gross Receipts (Amended May 10, 2016, Effective January 1, 2017)
- (B) For all other providers of financial, real estate, and Professional Services, \$0.43 per \$100 of Gross Receipts (Amended May 10, 2016, Effective January 1, 2017); (See Va. Code § 58.1-3706)
- (4) For repair, personal and business Services and all other businesses and occupations not specifically listed or exempted in this ordinance or otherwise by law, \$0.15 per \$100 of Gross Receipts;
- (5) For wholesalers, \$0.05 per \$100 of Purchases;
- (6) For carnivals, circuses and speedways, \$100 for each performance held in this Town;
- (7) For fortune tellers, clairvoyants and practitioners of palmistry, \$1,000 per year;
- (8) For Itinerant Merchants or Peddlers, \$200 per year, except that there shall be no fee for Festival Merchants. (Amended May 8, 2018.)
- (9) For savings and loan associations and credit unions, \$50 per year; and
- (10) For persons having no regularly established place of business in this state and who provide photography services consisting of the taking of pictures or the making of pictorial reproductions in the Commonwealth (and every agent or canvasser for such photographer), \$30 per year. (See Va. Code, § 58.1-3728)
- (11) *Alcoholic Beverages.* For persons engaging in the business of manufacturing, bottling, wholesaling, or retailing alcoholic beverages, the following tax schedule applies:
  - (A) For each distiller's license, \$1,000 per year. No license shall be required of any person distilling not more than 5,000 gallons of spirits in the License Year.
  - (B) For each winery license, \$1,000 per year;
  - (C) For each brewery license, \$1,000 per year;
  - (D) For each bottler's license, \$500 per year;
  - (E) For each wholesale beer license, \$75 per year;

- (F) For each wholesale wine distributor's license, \$50 per year;
- (G) For each wholesale druggist's license, \$10 per year;
- (H) For each retail on-premises wine and beer license for a hotel, restaurant, or club, \$37.50 per year;
- (I) For each retail off-premises wine and beer license, \$37.50 per year;
- (J) For each retail on-premises beer license for a hotel, restaurant or club, \$25 per year;
- (K) For each retail off-premises beer license, \$25 per year;
- (L) For each fruit distiller's license, \$1,500 per year;
- (M) For each hospital license, \$10 per year;
- (N) For each banquet license, \$5 per year;

(See Code of Virginia, § 4-38).

(12) *Coin Operated Amusement and Other Machines.*

- (A) For the operators of coin amusement machines, \$200 per year or \$20 per year for each such machine operated within the Town, whichever is less, provided, however, that no tax shall be owed by a person owning fewer than three coin-operated machines and operating such machines on property owned or leased by that person.
- (B) In addition to any tax owed under paragraph (b)(12)(A) above, Gross Receipts from machines vending merchandise shall be taxed under paragraph (b)(2) above. Gross Receipts from coin-operated amusement machines shall be taxed under paragraph (b)(4) above.

(13) *Heat, Light, Power and Gas Companies.* (Repealed October 11, 2005)

(14) *Telephone Companies.* For persons engaged in the business of providing telephonic communications in the town, the annual license tax shall equal one half of one percent of the Gross Receipts during the preceding year from local telephone exchange service, including flat rate service and message rate service, but excluding long distance telephone calls. (See Code of Virginia, § 58.1-3731).

- (c) For purposes of this section, Gross Receipts shall be calculated as of the Base

Year, except in the following cases:

- (1) *New Businesses.* New businesses shall estimate their Gross Receipts for the License Year, and their tax shall be based on the estimate. On or before March 1 of the following year, they shall correct their estimate. If they underestimated, they shall pay the additional tax owed, without interest. If they overestimated, the Town will credit or refund the overpayment, without interest.
  - (2) *Businesses in operation for only a portion of the Base Year.* Businesses which were in operation for only a portion of the Base Year shall estimate their Gross Receipts for the License Year, according to the same procedures set forth in paragraph (c)(1) above.
  - (3) *Contractors taxed under § 58.1-3715.* The tax for contractors without a Definite Place of Business in the Town shall be based on Gross Receipts for the License Year.
  - (4) *Public Service Corporations.* Corporations taxed under paragraphs (b)(13) or (b)(14) above may elect to pay a license tax based on the preceding fiscal year.
- (d) Restaurants which collect and pay the Town's Meals Tax under Title 19 shall pay an annual license fee of \$10, and they shall pay no license tax. This limitation applies only to Gross Receipts on which the Meals Tax is collected. Therefore, if a business collects the Meals Tax on a portion of its total Gross Receipts, it must pay (i) the standard license tax on the remaining portion of its gross receipts under paragraph (b) above, and (ii) an additional \$10 license fee to, bringing the total license fee to \$20, as prescribed in paragraph (a) above. (Added October 11, 2005.)

#### **Chapter 4 Consumer Utility Tax**

(Recodified from Title 14 by Ordinance O2018-5)

#### **Article One—Electric Utility Consumer Tax**

**§ 19-401. Levy.** In accordance with Virginia Code § 58.1-3814, there is hereby imposed and levied a monthly tax on each purchase of electricity delivered to consumers by a service provider, classified as determined by such provider, as follows:

- (a) *Residential consumers:* For Residential Consumers, such tax shall be \$0.0284 on each kWh delivered monthly by a Service Provider, not to exceed \$3.00 monthly.
- (b) *Non-Residential Consumers:* For non-Residential-Consumers, such tax shall

be \$0.0250 per kWh for the first 6300 kWh delivered monthly by a Service Provider and (ii) \$0.0082 per kWh for all kWh in excess of 6300 delivered monthly by a Service Provider.

(Amended March 8, 2011, May 8, 2018.)

**§ 19-402. Exemptions.** The following consumers of electricity are exempt from the tax imposed by § 19-401 above:

- (1) The United States of America, the Commonwealth and the political subdivisions thereof, including the Town.

(Added October 10, 2000.)

**§ 19-403. Computation of bills not on monthly basis.** Bills shall be considered as monthly bills for the purposes of this ordinance if submitted 12 times per year of approximately one month each. Accordingly, the tax for a bi-monthly bill (approximately 60 days) shall be determined as follows: (i) the kWh will be divided by 2; (ii) a monthly tax will be calculated using the rates set forth above; (iii) the tax determined by (ii) shall be multiplied by 2; (iv) the tax in (iii) may not exceed twice the monthly “maximum tax.” (Added October 10, 2000.)

**§ 19-404. Effective Date; Transition.** This Article shall take effect on December 31, 2000, but the rates set forth herein shall not be effective before a Consumer’s first meter reading after December 31, 2000. Until such meter reading for each Consumer, the Town’s previous consumer tax on electricity shall apply to that Consumer. (Added October 10, 2000.)

## **Article Two—Natural Gas Utility Consumer Tax**

**§ 19-405. Levy.** In accordance with Virginia Code § 58.1-3814, there is hereby imposed and levied a monthly tax on each purchase of natural gas delivered to consumers by pipeline distribution companies and gas utilities classified by "class of consumers" as such term is defined in Virginia Code §58.1-3814(J)., as follows:

- (a) Residential Consumers: Such tax on Residential Consumers of natural gas shall be at the rate of \$0.0502 per CCF delivered monthly by a Service Provider to residential consumers, not to exceed \$3.00 per month.
- (b) Non-Residential Consumers: For non-Residential-Consumers, such tax shall be at the rate of \$0.0248 per CCF for the first 1225 CCF delivered monthly by a Service Provider and (ii) \$0.0114 per CCF for all CCF in excess of 1225 delivered monthly by a Service Provider. In no case shall the tax exceed 20% of the monthly amount charged to customer.

(Amended March 8, 2011, May 8, 2018, September 11, 2018.)

**§ 19-406. Exemptions.** The following Consumers of natural gas shall be exempt from the tax imposed by § 19-405 above:

(1) The United States of America, the Commonwealth and the political subdivisions thereof, including this jurisdiction.  
(Added October 10, 2000.)

**§ 19-407. Computation of bills not on monthly basis.** Bills shall be considered as monthly bills for the purposes of this ordinance if submitted 12 times per year of approximately one month each. Accordingly, the tax for a bi-monthly bill (approximately 60 days) shall be determined as follows: (i) the CCF will be divided by 2; (ii) a monthly tax will be calculated using the rates set forth above; (iii) the tax determined by (ii) shall be multiplied by 2; (iv) the tax in (iii) may not exceed twice the monthly “maximum tax.” (Added October 10, 2000.)

**§ 19-408. Effective Date; Transition.** This Article shall take effect on December 31, 2000, but the rates set forth herein shall not be effective before a Consumer’s first meter reading after December 31, 2000. Until such meter reading for each Consumer, the Town’s previous consumer tax on natural gas shall apply to that Consumer. (Added October 10, 2000.)

### **Article Three—General and Administrative Provisions**

**§ 19-409. Definitions.** For purposes of this Chapter, the following definitions shall apply, unless the context clearly indicates the Council intended otherwise:

- (a) *Consumer.* Every person who, individually or through agents, employees, officers, representatives or permittees, makes a taxable purchase of electricity, natural gas, or Local Telephone Services in the Town.
- (b) *Gas utility.* A public utility authorized to furnish natural gas service in Virginia.
- (c) *CCF.* The volume of gas at standard pressure and temperature in units of 100 cubic feet.
- (d) *Kilowatt hours (kWh) delivered.* 1000 watts of electricity delivered in a one-hour period by an electric provider to an actual consumer, except that in the case of eligible customer-generators (sometimes called cogenerators) as defined in Virginia Code § 56-594, it means kWh supplied from the electric grid to such customer-generators, minus the kWh generated and fed back to the electric grid by such customer-generators.
- (e) *Local Telephone Service* The two-way local transmission of messages or data through use of switched local telephone services; telegraph services; teletypewriter; provided, however, that the term does not include cellular telephone service or similar wireless telecommunication service. (*See* Va. Code, § 58.1-3812.)

- (f) *Person.* Any individual, corporation, company or other entity.
- (g) *Pipeline distribution company.* A Person, other than a pipeline transmission company which transmits, by means of a pipeline, natural gas, manufactured gas or crude petroleum and the products or byproducts thereof to a purchaser for purposes of furnishing heat or light.
- (h) *Residential Consumer.* The owner or tenant of property used primarily for residential purposes, including but not limited to, apartment houses and other multiple-family dwellings. With respect to Local Telephone Services, however, the term shall not include Consumers of mobile local telecommunications service, as that term is defined in § 58.1-3812 of the Code of Virginia.
- (i) *Service Provider.* A Person who (i) delivers electricity to a consumer, (ii) delivers natural gas to a consumer, or (iii) provides local telephone service to a consumer.
- (j) *Used primarily.* This term relates to the larger portion of the use for which electric or natural gas utility service is furnished.

(Added October 10, 2000.)

**§ 19-410. Billing, collection and remittance of tax.** On a monthly basis, the Service Provider shall bill the consumer tax to all users who are subject to the tax and to whom it delivers services subject to this Chapter. Such taxes shall be paid by the service provider to the Town in accordance with Virginia Code §§ 58.1-2901, 58.1-3812, and 58.1-3814(F) & (G). If any Consumer receives and pays for such services but refuses to pay the tax imposed by this section, the Service Provider shall notify this jurisdiction of the name and address of such Consumer. If any Consumer fails to pay a bill issued by a Service Provider, including the tax imposed by this section, the Service Provider must follow its normal collection procedures and upon collection of the bill or any part thereof must apportion the net amount collected between the charge for service and the tax and remit the tax portion to the Town.

Any tax paid by the Consumer to the service provider shall be deemed to be held in trust by such provider until remitted to the Town. (Added October 10, 2000.)

**§ 19-411. Violations.** Any Consumer of electricity or natural gas failing, refusing or neglecting to pay the tax imposed and levied under this ordinance, and any officer, agent or employee of any service provider violating the provisions of this Chapter shall, upon conviction thereof, be punished by a fine of not less than \$100 nor more than \$1,000, or by imprisonment in jail for not more than 30 days, or by both such fine and imprisonment. Each such failure, refusal, neglect or violation shall constitute a separate offense. Such conviction shall not relieve any Person from the payment, collection and remittance of the tax as provided in this Chapter. (Added October 10, 2000.)

**§ 19-412. Records of Service Providers.** Every Service Provider shall keep complete records showing any purchases of electricity, natural gas, or Local Telephone Service by

Consumers in the Town. The records shall show the sum charged to each Consumer with respect to each purchase, the date thereof, the date of payment therefore, and the amount of tax imposed hereunder. Upon reasonable notice from the Town Treasurer or his designee, such records will be made available for inspection and copying at the office of the Town Treasurer or other reasonable location. (Added October 10, 2000.)

**Chapter 5**  
**Transient Occupancy Tax**  
(Added January 8, 2019)

**§ 19-501. Definitions.** Except where the context clearly indicates a different meaning, the following words and phrases, when used in this article shall, for the purposes of this article, have the meanings ascribed to them below:

- (a) *Lodging.* "Lodging" means any room or rooms, or space furnished to any transient.
- (b) *Lodging place.* "Lodging place" means any public or private hotel, inn, hostelry, tourist home or house, bed-and-breakfast facility, tourist cabin, camping grounds, motel, rooming house or Short-Term Rental (as defined in § 17-301) within the Town offering lodging, for compensation, to any Transient.
- (c) *Transient.* "Transient" means any person who, for any period of not more than 30 consecutive days, either at his own expense or at the expense of another, obtains Lodging in any Lodging Place.

**§ 19-502. Levied; amount.** There is hereby levied and imposed on each Transient a tax equivalent to 4.5% percent of the total amount paid for Lodging, by or for any such Transient, to any lodging place,

**§ 19-503. Exemptions.** No tax shall be payable under this chapter for charges for Lodging paid to (i) any hospital, medical clinic, convalescent home or home for aged people or (ii) to a college for Lodging for students or attendees of conferences at the college.

**§ 19-504. Collection.** Every person receiving any payment for Lodging with respect to which a tax is levied under this chapter shall collect the amount of such tax so imposed from the Transient on whom such tax is levied, or from the person paying for such Lodging, at the time payment for such Lodging is made. The taxes required to be collected under this section shall be held in trust by the person required to collect such taxes, until remitted as required in this article.

**§ 19-505. Report of taxes collected; remittance; preservation of records.**



- (a) It shall be the duty of every person required by this chapter to pay to the Town the taxes imposed by this chapter to make a report thereof setting forth such information as the Treasurer may prescribe and require, including all transactions taxable under this chapter, the amount charged the Transient for each such transaction, the date thereof, the taxes collected thereon and the amount of tax required to be collected by this chapter. For corporations, limited liability companies, and partnerships, every such report shall identify the person or persons whose responsibility it is to account for and pay over the taxes imposed by this chapter.

Should such responsibility change before the next report is filed, the corporation, LLC, or partnership shall file an interim report designating the new responsible person.

- (b) Reports and tax payments for the months of January, February and March shall be made on or before the following April 20th. Reports and tax payments for the months of April, May, and June shall be made on or before the following July 20th. Reports and tax payments for the months of July, August, and September shall be made on or before the following October 20th. Reports and tax payments for the months of October, November, and December shall be made on or before the following January 20th.
- (c) Further, every such person shall maintain records supporting the reports required by paragraph (a) of this section. Such records shall be kept and preserved for a period of five years. The Treasurer shall have the power to examine and copy such records at reasonable times and without unreasonable interference with the operations of such person, for the purpose of administering and enforcing the provisions of this chapter.
- (d) The Treasurer may enter into agreements with reservation services or other third parties or deviate from the procedures specified in this section in order to facilitate the collection of the tax imposed by this chapter. This paragraph does not authorize the Treasurer to alter the amount of tax owed by the Transient

**§ 19-506. *Duty of collector ceasing operations.*** Whenever any person required to collect and pay to the Town a tax under this article shall cease to operate or otherwise dispose of his STR, any tax payable under this chapter to the Town shall become immediately due and payable and such person shall immediately make a report and pay the tax due.

**§ 19-507. *Penalty for late remittance.***

- (a) Late Payment; Interest.

- (1) If any person, whose duty it is so to do, shall fail to remit to the Treasurer the tax required to be collected and paid under this chapter, within specified

time, interest and penalties shall be added to the tax as provided in this paragraph (a).

- (2) Interest. Interest shall begin to accrue on the day following the due date at the annual rate of 10%.
- (3) Interest on taxes past due under this section shall not be imposed if it was not the fault of the taxpayer.

(b) Failure to File Return; Penalty.

- (1) If any person, whose duty it is so to do, shall fail to make, within the time provided in this article, any report required by this section, the Treasurer shall estimate the tax due using such information as is available. Within 30 days from the date the tax was due, the Treasurer shall assess the estimated tax due, with penalties as provided in this paragraph (b). The total amount thereof shall be payable immediately, and the treasurer shall proceed to collect same as authorized by law.
- (2) Penalties. The penalty for delinquent tax payments is the greater of (i) \$10 or (ii) 10% of the tax due for the first month payment is past due, plus an additional 5% of the tax due for each month thereafter, up to a maximum of 25% of the tax due. In no event, however, shall the penalty exceed the amount of the tax.
- (3) Penalties on returns not filed under this section shall not be imposed if the failure was not the fault of the taxpayer.

**§ 19-508. Violations of chapter.** Any person violating or failing to comply with any provision of this chapter shall be guilty of a Class 1 misdemeanor. Conviction of such violation shall not relieve any person from the payment, collection or remittance of the taxes provided in this article.