

CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA



Agenda Date:	July 20, 2020
Action Required:	Approval of Refund of Tax Payment
Presenter:	Jason Vandever, City Treasurer
Staff Contacts:	Jason Vandever, City Treasurer Todd Divers, Commissioner of the Revenue
Title:	<b>Refund of Tax Payment to Silverchair Science &amp; Communications Inc</b>

**Background:**

Silverchair Science & Communications Inc. has filed amended business license returns with the City of Charlottesville for tax years 2017, 2018, and 2019 wherein it claims deductions in those years due to having conducted business in other states where it was liable for an income or other tax based upon income pursuant to Virginia State Code §58.1-3732(B)(2). Having reviewed the documentation provided by Silverchair Science & Communications Inc., the Charlottesville Commissioner of the Revenue agrees that refunds are properly due for the years in question.

**Discussion:**

City Code requires Council approval for any tax refunds resulting from an erroneous assessment in excess of \$2,500 (City Code Sec. 30-6b). Payment of interest is also required in accordance with Section 14-12(g) of the Charlottesville City Code. The refund has been approved for presentment to Council by the City Attorney, Commissioner of the Revenue, and City Treasurer.

**Alignment with City Council's Vision and Strategic Plan:**

n/a

**Budgetary Impact:**

The refund will reduce current year Business License Tax revenue (GL 410150) by \$75,520.22 and Interest Revenue (GL 400120) by \$14,822.27.

**Recommendation:**

Approval of the tax refund.

**Alternatives:**

n/a

**Attachments:**

Interest Calculation  
Council Resolution

**Refund Interest Calculation- Account 6534 Silverchair Science & Communications Inc**

<b>Payment</b>	<b>Paid</b>	<b>Today</b>	<b>Months</b>	<b>Rate</b>	<b>Annualized Interest</b>	<b>Overpayment</b>	<b>New Balance</b>	<b>Tax Refund</b>	<b>Interest refund</b>	
2017 BL	3/1/2017	6/15/2020	39	8.00%	\$ 2,762.90	\$ 34,536.19	\$ -	\$ 34,536.19	\$ 8,979.41	
2018 BL	3/1/2018	6/15/2020	27	8.00%	\$ 1,744.45	\$ 21,805.67	\$ -	\$ 21,805.67	\$ 3,925.02	
2019 BL	3/1/2019	6/15/2020	15	8.00%	\$ 1,534.27	\$ 19,178.36	\$ -	\$ 19,178.36	\$ 1,917.84	
<b>Interest Refund Due</b>									<b>\$ 14,822.27</b>	
									<b>Total Refund</b>	<b>\$ 90,342.49</b>

<b>Tax Refund</b>	<b>\$ 75,520.22</b>
<b>Interest refund</b>	<b>\$ 14,822.27</b>
<b>Total Refund</b>	<b>\$ 90,342.49</b>

**RESOLUTION**  
**AUTHORIZING REFUND TO SILVERCHAIR SCIENCE &**  
**COMMUNICATIONS INC**  
**OF BUSINESS LICENSE TAXES PAID FOR 2017, 2018, AND 2019**

**WHEREAS**, the Commissioner of the Revenue has determined that Silverchair Science & Communications Inc. incorrectly paid 2017, 2018, and 2019 Charlottesville business license tax on gross receipts that were subject to income or other tax based upon income in other jurisdictions; and

**WHEREAS**, the 2017, 2018, and 2019 business license taxes for Silverchair Science & Communications Inc. were paid on time and as filed; and

**WHEREAS**, the Commissioner of the Revenue has certified that a refund of taxes paid is due in the amount of \$90,342.49; and

**WHEREAS**, City Code Section 30-6(b) requires City Council approval for any tax refund exceeding \$2,500.00; now, therefore,

**BE IT RESOLVED** by the Council for the City of Charlottesville, Virginia, that the City Council hereby authorizes the City Treasurer to issue a refund of \$90,342.49, payable to Silverchair Science & Communications Inc.