

**CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA**



Agenda Date:	January 18, 2022
Action Required:	Approval of Refund of Business License Tax Payment
Presenter:	Todd Divers, Commissioner of the Revenue
Staff Contacts:	Jason Vandever, City Treasurer Todd Divers, Commissioner of the Revenue
<b>Title:</b>	<b>Refund of Business License Tax</b>

**Background:**

Entity filed and paid for a 2020 business license for a business that re-located to Albemarle County on July 31, 2020. The filing and payment was timely. Based on this move, the entity subsequently applied to the Commissioner of the Revenue for a pro-rated refund of the license tax paid in error.

The City is required to refund business license taxes paid in error with interest per Code of Virginia 58.1-3703.1 (A) (2) (e). The amount paid for the 2020 business license was \$4,291.99. In addition, Code of Virginia 58.1-3703.1 (A) (2) (e) states: “Interest shall be paid on the refund of any BPOL tax 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 same rate charged under 58.1-3916.” The interest amount is \$647.21.

**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.

Per City Code Sec. 30-6(b), the Commissioner of the Revenue has provided to the City Attorney information necessary to enable her to consent to the determination of the Commissioner of the Revenue that the tax paid by the taxpayer was erroneous and should therefore be refunded. The refund has therefore been approved for presentation 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 \$4,291.99 and Interest Revenue (GL 400120) by \$647.21.

**Recommendation:**

Approval of the tax refund.

**Alternatives:**

n/a

**Attachments:**

Interest Calculation

Council Resolution

**Refund Interest Calculation**

<b>Payment</b>	<b>Paid Date</b>	<b>Refund Date</b>	<b>Days</b>	<b>Rate</b>	<b>Payment Amount</b>	<b>Annualized Interest</b>	<b>Tax Refund</b>	<b>Interest Refund</b>
2020 BL	3/2/2020	1/19/2022	688	8%	\$ 4,291.99	\$ 343.36	\$ 4,291.99	\$ 647.21

**RESOLUTION  
AUTHORIZING REFUND TO TAXPAYING ENTITY OF BUSINESS  
LICENSE TAXES PAID FOR 2020**

**WHEREAS**, the Commissioner of the Revenue has determined that on July 31, 2020, Entity relocated its business to another jurisdiction after having timely filed and paid its 2020 Charlottesville City Business License; and

**WHEREAS**, Entity subsequently requested a pro-rated refund on the 2020 business license tax paid to the City of Charlottesville; and

**WHEREAS**, the Commissioner of the Revenue has certified that a refund of taxes paid is due in the amount of \$4,939.20; 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 \$4,939.20, payable to Entity.