

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



Agenda Date:	September 6, 2022
Action Required:	Approval of Refund of Business License Tax Payment
Presenter:	Todd Divers, Commissioner of the Revenue
Staff Contacts:	Jason Vandever, City Treasurer Lisa Robertson, City Attorney
Title:	Refund of Business License Tax - \$5,719.45 (2nd reading)

Background

Entity is a contracting company that incorrectly filed and paid for a 2021 business license for a project that was located in Albemarle County. The filing and payment were timely. The entity subsequently discovered that it should have applied for and paid for a license in Albemarle County. It then applied to the Commissioner of the Revenue for a 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 2021 business license was \$5,099.17. 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 \$620.28.

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 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

Community Engagement

N/A

Budgetary Impact

The refund will reduce current year Business License Tax revenue (GL 410150) by \$5,719.45.

Recommendation

Approval of the tax refund.

Suggested Motion: “I move the RESOLUTION authorizing a refund of \$5,719.45 to a taxpaying entity or business, for business license taxes paid in error for 2021.”

Alternatives

None

Attachments

1. Interest Calculation for Council memo
2. Council Resolution