

Section 17

Excise Taxes on Meals, Transient Occupancy, Cigarettes, Tobacco, Admissions, and Motor Fuels, 1999

Among the many local taxes levied by Virginia's localities are five excise sales taxes on meals, transient occupancy, cigarettes, admissions, and motor fuels. **Table 17.1** provides a detailed list of rates for these taxes for the 40 cities, 54 counties, and 84 towns reporting such taxes in effect during the 1999 fiscal year.

Meals Tax and Transient Occupancy Tax

The meals tax and the transient occupancy tax (or lodging tax) are a flat percentage imposed on the price of a meal, or on the charge for the occupancy of any room or space in hotels, motels, boarding houses, travel campgrounds, and other facilities providing lodging for less than thirty days. The authority to levy these taxes varies greatly among jurisdictions. According to §58.1-3819 of the *Code of Virginia*, counties may levy a transient occupancy tax with a maximum tax rate of 2 percent. Counties satisfying conditions described in §58.1-3819 (A) may increase their transient occupancy tax to a maximum of 5 percent. The portion of the tax collections exceeding 2 percent must be used by the county for tourism and tourism related expenses. Under §58.1-3822, counties with the county manager plan of government have the option of levying an additional tax of 0.25 percent of the room charge.¹ Counties may also

levy a meals tax (§58.1-3833), on food and beverages offered for human consumption if the tax is approved in a voter referendum. However, several counties have been exempted from the voter referendum requirement (see §58.1-3833 (B) of the *Code*). Finally the meals tax, when combined with the state general sales and use tax (3.5 percent), and the local general sales and use tax (1.0 percent), must not exceed 8.5 percent.

Furthermore, counties are restricted in their authority to levy the meals and lodging taxes within the limits of an incorporated town unless the town grants the county authority to do so (§58.1-3711). Cities and towns are granted the authority (indirectly) to levy the meals and lodging taxes under the "general taxing powers" found in their charters (§58.1-3840).

The first two columns of Table 17.1 list the rates for the meals tax and the transient occupancy tax, respectively. The median rate for the meal tax is 4.5 percent among cities that responded. The minimum rate is 2.0 percent and the maximum 6.5 percent. The meal tax rate is slightly lower among counties, with the median reported to be 4.0 percent, the minimum 2.0 percent and the maximum 5.0 percent. Among towns that reported having a meal tax, the minimum rate is 1.0 percent, the maximum 5.5 percent, and the median rate is 4.0 percent.

¹ The counties of Chesterfield, Henrico, and Hanover may, under § 58.1-3823, impose an additional lodging tax of 4 percent of the charge of the room. This revenue is designated for use in tourism promotion.

The transient occupancy (lodging) tax shows greater variation than the meal tax. The median rate for cities is 5.0 percent, the minimum 2.0 percent, and the maximum 8.0 percent. For counties the extremes also range from 2.0 to 8.0 percent with a median rate of 2.0 percent. The towns that reported having an occupancy tax have a median of 4.0 percent with a minimum rate of 2.0 percent and a maximum of 6.0 percent.

Cigarette and Tobacco Taxes

The state is authorized by Section §58.1-1001 of the state code to levy a tax on cigarettes of 1.25 mills per cigarette (\$0.025 on a pack of twenty). Section §58.1-3830 allows for the local taxation of the sale or use of cigarettes. Cities and towns are authorized to levy the tax only if they had authority to do so prior to January 1, 1977. The right to levy the tax has been granted to only a few counties by general law. Fairfax and Arlington counties may levy the cigarette tax with a maximum rate of 5 cents per pack or the amount levied under state law, whichever is greater (§58.1-3831). No county cigarette tax is applicable within town limits if the town's governing body does not authorize that county to levy the tax. The cigarette tax is a flat fee levied on each package of cigarettes. Unlike the meals and transient occupancy taxes, which are added directly onto the bill at the time of purchase, the cigarette tax is added onto the price per pack before the purchaser buys the cigarettes. In addition, localities which levy a tobacco license tax on wholesalers and/or retailers are also listed in **Table 17.1** next to the cigarette tax. The tobacco license tax is levied either as a flat tax or as a portion of gross receipts. If no schedule is given in the **Table 17.1**, then it should be read as a flat tax. A total of 19 cities levy some sort of tax on cigarettes, while 2 counties and 14 towns report doing so. Taxes ranges from \$0.02 to \$0.375 on a pack.

Admissions Tax

Events to which admissions are charged are classified into five groups by §58.1-3817 of the *Code of Virginia*; they are: 1) those events from which the gross receipts go entirely to charitable purposes, 2) admissions charged for events sponsored by public and private educational institutions, 3) admissions charged for entry into museums, botanical or similar gardens, and zoos, 4) admissions charged for sporting events, and 5) all other admissions. In imposing the admissions tax, localities have the authority to tax each class of admissions with the same or with a different tax rate. A 1999 amendment to §58.1-3818 allows a locality to exempt certain qualified charitable events from admissions tax charges. Four counties (Fairfax, Arlington, Dinwiddie, and Prince George) have been granted permission to levy an admissions tax at a rate not to exceed 10 percent of the amount of charge for admissions (§§58.1-3818 and 58.1-3840). Only two counties in Virginia—Dinwiddie and Roanoke—currently levy the admissions tax. Cities and towns are granted the authority (indirectly) to levy the admissions tax under the "general taxing powers" found in their charters (§58.1-3840). Sixteen cities and one town (Vinton) reported levying the admissions tax

Motor Fuels Sales Tax

Under §58.1-1720, any county or city which is a member of a transportation district with a commuter mass transport system, or in any transportation district subject to §15.1-1357 (B) (6) and which is contiguous to the Northern

Virginia Transportation District may levy a sales tax of 2 percent on the retail price of fuels sold for any other purpose than resale. Furthermore, §58.1-1721 requires that during the first full fiscal year in which the tax is levied, the real estate tax and/or other locally levied taxes must be reduced in an amount that would have been or has been spent by the locality on rail or bus services,

but is instead paid for by the revenues of the sales tax on fuels.

The tax is imposed by few localities. Three cities (Fredericksburg, Ma-

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nassas, and Manassas Park), and 4 counties (Fairfax, Loudoun, Prince William, and Stafford) levy the 2 percent tax.

Table 17.1
Restaurant, Transient Occupancy, Cigarette, Admissions,
and Motor Vehicle Fuel Excise Taxes, 1999

Locality	Restaurant and/or Meals Tax(%)	Transient Occupancy Tax (%)	Cigarette Tax (\$ Per Pack)	Admissions Tax (%)	Motor Vehicle Fuel Tax (%)
Cities	Note: All cities responded to the survey.				
Alexandria	3.0	5.5% plus \$1 per night	N/A	N/A	N/A
Bedford	5.0	5.0	0.10	N/A	N/A
Bristol	5.0	5.0	0.04 (20 cig.) 0.05 (25 cig.)	N/A	N/A
Brodnax	4.0	4.0	N/A	5.0	N/A
Buena Vista	4.0	4.0	N/A	N/A	N/A
Charlottesville	3.0	5.0	0.12	N/A	N/A
Chesapeake	5.5	6.0	0.25 (20 cig.) 0.3125 (25 cig.) 0.375 (30 cig.)	10.0	N/A
Clifton Forge	4.0	N/A	0.04 (20 cig.) 0.05 (25 cig.)	N/A	N/A
Colonial Heights	5.0	5.0	N/A	N/A	N/A
Covington	4.0	2.0	N/A	N/A	N/A
Danville	4.5	2.0	...	N/A	N/A
Emporia	5.0	5.0	N/A	N/A	N/A
Fairfax	2.0	4.0	0.25 (20 cig.) 0.3125 (25 cig.)	N/A	N/A
Falls Church	4.0	5.0	0.25 (20 cig.) 0.3125 (25 cig.)	N/A	N/A
Franklin	4.5	5.0	0.25	N/A	N/A
Fredericksburg	4.5	4.0	0.05	4.0	2.0
Galax	4.0	N/A	N/A	N/A	N/A
Hampton	4.5	5.5	0.35	5.0	N/A
Harrisonburg	5.0	5.0	...	5.0	N/A
Hopewell	4.5	4.5	N/A	N/A	N/A
Lexington	4.0	3.0	N/A	N/A	N/A
Lynchburg	5.5	5.5	0.15 (20 cig.) 0.1875 (25 cig.)	5.0	N/A
Manassas	4.0	4.0	0.15 (20 cig.)	N/A	2.0
Manassas Park	4.0	N/A	0.15	N/A	2.0
Martinsville	4.0	N/A	N/A	N/A	N/A
Newport News	4.5	5.5	0.25 (20 cig.) 0.3125 (25 cig.)	5.0	N/A
Norfolk	5.5	8.0	0.30 (20 cig.) 0.375 (25 cig.)	10.0	N/A
Norton	5.0	4.0	N/A	N/A	N/A
Petersburg	3.0	4.0	0.10 (20 cig.)	0.05	N/A
Poquoson	4.0	N/A	N/A	N/A	N/A

N/A Not applicable.

... No response provided.

Table 17.1 (continued)

Locality	Restaurant and/or Meals Tax(%)	Transient Occupancy Tax (%)	Cigarette Tax (\$ Per Pack)	Admissions Tax (%)	Motor Vehicle Fuel Tax (%)
Cities (continued)					
Portsmouth	6.5	6.5	N/A	10.0	N/A
Radford	4.0	2.0	N/A	N/A	N/A
Richmond	5.0	8.0	N/A	6.0	N/A
Roanoke	4.0	5.0	0.17	5.0	N/A
Salem	4.0	4.0	N/A	5.0	N/A
Staunton	5.0	4.0	N/A	N/A	N/A
Suffolk	5.0	5.0	0.30 (20 cig.) 0.375 (25 cig.)	N/A	N/A
Virginia Beach	4.5	5.5 9.9 ^a	0.27 (20 cig.) 0.3375 (25 cig.)	10.0 ^b 5.0 ^c	N/A
Waynesboro	4.0	4.0	0.04	N/A	N/A
Williamsburg	5.0	5.0	N/A	N/A	N/A
Winchester	4.0	4.0	0.10	5.0	N/A
Counties	Note: All counties responded to the survey. Those that answered "not applicable" for all items in this table are excluded.				
Accomack	N/A	2.0	N/A	N/A	N/A
Albemarle	4.0	5.0	N/A	N/A	N/A
Alleghany	4.0	2.0	N/A	N/A	N/A
Amherst	4.0	3.0	N/A	N/A	N/A
Appomattox	5.0	N/A	N/A	N/A	N/A
Arlington	4.0	5.25	0.05 (20 cig.) 0.0625 (25 cig.)	N/A	N/A
Augusta	4.0	4.0	N/A	N/A	N/A
Bedford	4.0	2.0	N/A	N/A	N/A
Bland	4.0	2.0	N/A	N/A	N/A
Botetourt	4.0	4.0	N/A	N/A	N/A
Buchanan	N/A	2.0	N/A	N/A	N/A
Caroline	4.0	5.0	N/A	N/A	N/A
Carroll	4.0	2.0	N/A	N/A	N/A
Chesterfield	N/A	6.0	N/A	N/A	N/A
Clarke	N/A	2.0	N/A	N/A	N/A
Craig	4.0	N/A	N/A	N/A	N/A
Culpeper	N/A	2.0	N/A	N/A	N/A
Dinwiddie	4.0	2.0	N/A	4.0	N/A
Fairfax	N/A	2.0	0.05 (20 cig.) 0.0625 (25 cig.) 0.75 (30 cig.)	N/A	2.0
Franklin	4.0	2.0	N/A	N/A	N/A

N/A Not applicable.

^a Imposed on special districts.^b For concert events.^c For sporting events.

Table 17.1 (continued)

Locality	Restaurant and/or Meals Tax(%)	Transient Occupancy Tax (%)	Cigarette Tax (\$ Per Pack)	Admissions Tax (%)	Motor Vehicle Fuel Tax (%)
Counties (continued)					
Frederick	2.0	2.0	N/A	N/A	N/A
Giles	N/A	2.0	N/A	N/A	N/A
Gloucester	4.0	N/A	N/A	N/A	N/A
Greene	4.0	2.0	N/A	N/A	N/A
Greensville	4.0	2.0	N/A	N/A	N/A
Halifax	N/A	2.0	N/A	N/A	N/A
Hanover	N/A	8.0	...	N/A	N/A
Henrico	N/A	8.0	N/A	N/A	N/A
Henry	4.0	2.0	...	N/A	N/A
Isle of Wight	N/A	2.0	N/A	N/A	N/A
James City	4.0	4.0	N/A	N/A	N/A
King George	4.0	2.0	N/A	N/A	N/A
Lee	N/A	2.0	N/A	N/A	N/A
Loudoun	N/A	5.0	N/A	N/A	2.0
Madison	4.0	N/A	N/A	N/A	N/A
Montgomery	N/A	2.0	N/A	N/A	N/A
Nelson	4.0	2.0	N/A	N/A	N/A
Northampton	N/A	2.0	N/A	N/A	N/A
Nottoway	N/A	2.0	N/A	N/A	N/A
Orange	N/A	2.0	N/A	N/A	N/A
Page	4.0	2.0	N/A	N/A	N/A
Prince George	N/A	2.0	N/A	N/A	N/A
Prince William	N/A	5.0	N/A	N/A	2.0
Pulaski	4.0	N/A	N/A	N/A	N/A
Roanoke	4.0	5.0	N/A	5.0	N/A
Rappahannock	4.0	2.0 ^d	N/A	N/A	N/A
Rockbridge	4.0	2.0	N/A	N/A	N/A
Rockingham	N/A	2.0	N/A	N/A	N/A
Shenandoah	N/A	2.0	N/A	N/A	N/A
Spotsylvania	4.0	5.0	N/A	N/A	N/A
Stafford	4.0	2.0	N/A	N/A	2.0
Washington	N/A	2.0	N/A	N/A	N/A
Wythe	4.0	5.0	N/A	N/A	N/A
York	4.0	5.0	N/A	N/A	N/A

N/A Not applicable.

... No response provided.

^d 4% if meals are included.

Table 17.1 (continued)

Locality	Restaurant and/or Meals Tax(%)	Transient Occupancy Tax (%)	Cigarette Tax (\$ Per Pack)	Admissions Tax (%)	Motor Vehicle Fuel Tax (%)
Towns					
Note: Towns that answered "not applicable" for all items in this table are excluded. For a listing of town respondents and non-respondents, see Appendix B.					
Abingdon	4.0	4.0	N/A	N/A	N/A
Altavista	5.5	5.5	N/A	N/A	N/A
Amherst	4.0	2.0	N/A	N/A	N/A
Appomattox	5.0	5.0	N/A	N/A	N/A
Ashland	4.0	4.0	N/A	N/A	N/A
Berryville	2.0	N/A	N/A	N/A	N/A
Big Stone Gap	5.0	5.0	...	N/A	N/A
Blacksburg	4.0	4.0	0.10 (20 cig.)	N/A	N/A
Blackstone	4.5	N/A	N/A	N/A	N/A
Bluefield	3.0	N/A	0.02	N/A	N/A
Bowling Green	4.0	5.0	N/A	N/A	N/A
Bridgewater	4.0	N/A	N/A	N/A	N/A
Buchanan	4.0	N/A	N/A	N/A	N/A
Cedar Bluff	4.0	N/A	N/A	N/A	N/A
Chase City	4.0	N/A	N/A	N/A	N/A
Chilhowie	3.0	N/A	0.02	N/A	N/A
Chincoteague	4.0	2.0	N/A	N/A	N/A
Christiansburg	4.0	4.0	N/A	N/A	N/A
Clarksville	4.0	3.0	N/A	N/A	N/A
Clintwood	4.0	3.0	N/A	N/A	N/A
Coeburn	5.0	N/A	N/A	N/A	N/A
Colonial Beach	3.0	3.0	N/A	N/A	N/A
Crewe	4.5	N/A	N/A	N/A	N/A
Culpeper	4.5	4.5	0.10	N/A	N/A
Damascus	4.0	4.0	N/A	N/A	N/A
Dublin	4.0	N/A	N/A	N/A	N/A
Dumfries	4.0	4.0	...	N/A	N/A
Edinburg	N/A	2.0	N/A	N/A	N/A
Farmville	4.5	4.5	N/A	N/A	N/A
Fincastle	4.0	N/A	N/A	N/A	N/A
Fries	4.0	N/A	N/A	N/A	N/A
Front Royal	4.0	6.0	N/A	N/A	N/A
Gordonsville	4.5	N/A	N/A	N/A	N/A
Grundy	4.0	N/A	0.02	N/A	N/A
Haysi	4.0	N/A	N/A	N/A	N/A

N/A Not applicable.

... No response provided

Table 17.1 (continued)

Locality	Restaurant and/or Meals Tax(%)	Transient Occupancy Tax (%)	Cigarette Tax (\$ Per Pack)	Admissions Tax (%)	Motor Vehicle Fuel Tax (%)
Towns (continued)					
Herndon	N/A	6.0	0.20 (20 cig.)	N/A	N/A
Hillsville	4.0	4.0	N/A	N/A	N/A
Honaker	4.0	N/A	N/A	N/A	N/A
Kilmarnock	4.0	N/A	N/A	N/A	N/A
Lebanon	4.0	4.0	N/A	N/A	N/A
Leesburg	3.5	6.0	0.25 (20 cig.) 0.3125 (25 cig.) 0.375 (30 cig.)	N/A	N/A
Louisa	3.0	N/A	N/A	N/A	N/A
Luray	4.0	3.0	N/A	N/A	N/A
Madison	4.0	N/A	N/A	N/A	N/A
Marion	5.0	4.0	0.02 (20 cig.) 0.03 (25 cig.)	N/A	N/A
Middleburg	3.0	3.0	N/A	N/A	N/A
Middletown	2.0	2.0	N/A	N/A	N/A
Monterey	1.0	N/A	N/A	N/A	N/A
Mount Jackson	2.0	N/A	N/A	N/A	N/A
New Market	4.0	3.0	N/A	N/A	N/A
Onancock	N/A	2.0	N/A	N/A	N/A
Orange	4.5	N/A	N/A	N/A	N/A
Pearisburg	4.0	N/A	N/A	N/A	N/A
Pembroke	4.0	N/A	N/A	N/A	N/A
Pennington Gap	3.0	2.0	N/A	N/A	N/A
Pulaski	4.0	N/A	0.10 (20 cig.) 0.13 (25 cig.)	N/A	N/A
Purcellville	3.0	N/A	0.20 (20 cig.) 0.25 (25 cig.) 0.30 (30 cig.)	N/A	N/A
Richlands	4.0	N/A	N/A	N/A	N/A
Rocky Mount	4.0	2.0	N/A	N/A	N/A
Rural Retreat	4.0	N/A	N/A	N/A	N/A
Saint Paul	5.0	N/A	N/A	N/A	N/A
Saltville	5.0	N/A	0.05	N/A	N/A
Scottsville	4.0	5.0	...	N/A	N/A
Shenandoah	4.0	4.0	N/A	N/A	N/A
Smithfield	2.0	N/A	N/A	N/A	N/A
South Boston	3.0	4.5	N/A	N/A	N/A
South Hill	3.5	3.5	N/A	N/A	N/A
Stanley	4.0	4.0	N/A	N/A	N/A
Stephens City	2.0	N/A	N/A	N/A	N/A
Strasburg	4.0	N/A	N/A	N/A	N/A

N/A Not applicable.

... No response provided

Table 17.1 (continued)

Locality	Restaurant and/or Meals Tax(%)	Transient Occupancy Tax (%)	Cigarette Tax (\$ Per Pack)	Admissions Tax (%)	Motor Vehi- cle Fuel Tax (%)
Towns (continued)					
Tappahannock	3.0	2.0	N/A	N/A	N/A
Tazewell	4.0	N/A	N/A	N/A	N/A
Toms Brook	3.0	N/A	...	N/A	N/A
Vienna	3.0	3.0	0.20 (20 cig.) 0.25 (25 cig.)	N/A	N/A
Vinton	4.0	2.0	N/A	5.0	N/A
Warrenton	4.0	4.0	0.15 (20 cig.) 0.1875 (25 cig.) 0.225 (30 cig.)	N/A	N/A
Warsaw	2.0	N/A	N/A	N/A	N/A
Washington	2.5	2.5	N/A	N/A	N/A
Waverly	3.5	N/A	N/A	N/A	N/A
West Point	4.0	N/A	...	N/A	N/A
Windsor	4.0	N/A	N/A	N/A	N/A
Wise	4.0	N/A	N/A	N/A	N/A
Woodstock	4.0	N/A	N/A	N/A	N/A
Wytheville	4.0	3.0	0.03 (20 cig.) 0.045 (25 cig.)	N/A	N/A
N/A	Not applicable.				
...	No response provided.				