

## Introduction

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This is the nineteenth edition of *Tax Rates in Virginia's Cities, Counties, and Selected Towns* – a comprehensive guide to local taxes in Virginia prepared by the University of Virginia's Weldon Cooper Center for Public Service. This study, which is based on information gathered in the spring and summer of 2000, includes all of Virginia's 40 cities and 95 counties and 150 of the state's 189 incorporated towns. The study also provides information from the Virginia Department of Taxation's 2000 legislative summary and its assessment/sales ratio study for the real property tax in 1998.

Each year we make incremental improvements in this publication. This year we converted from the FileMaker Pro database program to the Microsoft Access program. Although this change does not change the appearance of the program, it will make our database more useful to others since the Access program is more widely used. Although the content is very similar to that of the previous edition, all sections and tables have been renumbered. In several instances we have made changes in table format so that some items may be in a different table than previously. Also, we

have added a new table based on survey data, Table 26.1: Public Rights-of-Way User Fees.

The study is separated into twenty-seven sections. The first section contains a summary of local tax sources and some historical analysis. Section 2 provides information on newly enacted changes in the *Virginia Code* affecting local governments. Sections 3 through 27 cover specific taxes and service charges. Most of the data came from a detailed questionnaire (see Appendix A for a facsimile of the document) sent to all cities, counties, and towns. Appendix B provides a listing of names and phone numbers of respondents and non-respondents to the questionnaire. The 1999 edition contained an Appendix C showing selected web addresses for state and local government fiscal topics. That section has been dropped because good current information is on the Cooper Center's VaStat web site. Go to the Government Finance/Taxation section at: <http://www.virginia.edu/coopercenter/vastat/#tax>. Most of the information at the site is for Virginia, but there are also interstate links. The Schmidt Enterprises, LLC link is particularly helpful.

Although this report is comprehensive, a few taxes are not included. Alcohol taxes are too complex to report briefly.

The bank franchise tax is not discussed in this study because the tax is uniform among all localities. All the localities that impose the bank franchise tax do so at the maximum rate allowed by statute—80 percent of the state rate of taxation (§§58.1-1208 through 58.1-1210 of the *Code*). The reason for this is §58.1-1213, entitling banks to a credit upon the state franchise tax equal to the total amount of local franchise tax paid. As a result, localities receive 80¢ of each \$1 of possible state bank franchise tax revenue.

In addition, this study does not cover the local option sales tax (§§58.1-605, 58.1-606, and 58.1-608), because every city and county imposes it at 1 percent, nor does this study cover the various property taxes imposed on public service corporations.

If a table shows for a particular locality a different tax than reported in the previous edition, this usually means that the tax has been changed. However, there is always the possibility that in one or both years the response was inaccurate.

In the tables in this study three dots (...) are used to show there was no response and "N/A" is used to indicate "not applicable." The dots are also employed when a respondent left a blank space. Readers are encouraged to use

the phone list in Appendix B to obtain clarification and additional detail.

John L. Knapp, Professor and Research Director of the Business and Economics Section, was the project director. In this capacity he designed the publication and was responsible for final approval of the entire content. Stephen C. Kulp was responsible for all day-to-day work on the project. He designed the new database, administered the survey, and translated the results into tables, checked relevant code sections, and made appropriate changes in the text. Student research assistants Catherine Elaine Barchers, Katherine Forrest Wagoner, and Michael Everett Welser assisted Steve Kulp with mailing, follow-up, and other aspects of the work. Susan E. Wormington of the Cooper's Center Publications and Communications Division designed the cover.

Albert W. Spengler, who authored this study for a number of years before I took over in 1991, did much of the groundwork on the study when it was his responsibility.

Three employees of the Virginia Department of Taxation provided special assistance. Janice Cole, Customer Services, provided information on local cigarette taxes. Carol Donaldson, Office of Tax Policy, furnished an electronic version of *1999 Legislative Summary* that formed the basis for Section 1 in the study. Sarah L. Ryder, Office of Tax Policy, reviewed the questionnaire and offered helpful suggestions.

The questionnaire was also re-

viewed by James D. Campbell, Executive Director, Virginia Association of Counties, and by Betty Long, Deputy Director, Virginia Municipal League. The strong support for this publication by the two local government associations adds to its acceptance as a basic reference on Virginia local taxes.

I am grateful to the many local officials throughout the Commonwealth who supplied the survey information presented in this study. I thank them for their willingness to provide information and their patience in answering follow-

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up questions. Excellent response rates of 100 percent for the cities and counties and 79 percent for the towns could not have been achieved without their cooperation.

Please let me hear from you if you have corrections or suggestions for possible changes or additions to future editions.

