

Section 12

Utility License Taxes, 2000

Localities in Virginia may impose a local license tax on public service corporations. As authorized by §58.1-3731 of the *Code*, localities may levy a license tax on a company at a rate not to exceed one-half of 1 percent of the gross receipts of such company accruing from sales to the ultimate consumer in the locality. However, any locality that had, in effect before January 1, 1972, a tax rate exceeding the current statutory ceiling may continue to tax at the previous level but may not raise the rate (See *Virginia, Acts of Assembly, 1972, c. 858*). For telephone companies, long-distance calls are not taxable under this provision. County utility license taxes do not apply within the limits of an incorporated town if the town also imposes the tax.

Beginning January 1, 2001 this levy will not apply to electric suppliers, gas utilities and gas suppliers as defined in §58.1-400.2 and pipeline distribution companies as defined in §58.1-2600. Instead, electric suppliers will be subject to the levy described in §58.1-2900 and natural gas suppliers will be subject to the tax described in §58.1-2904.

Briefly, instead of the utility license tax, electric consumers will be subject to a three-tier consumption tax. At the first level, users who consume no more than 2,500 kWh monthly will pay an electric utility consumption tax at the rate of \$0.00155 per kWh. The tax is

broken down into three aspects: a state consumption tax rate of \$0.00102/kWh, a special regulatory tax rate of \$0.00015/kWh and a local consumption tax rate of \$0.00038/kWh.

The second level applies to those who use more than 2,500 kWh but no more than 50,000 kWh. A rate of \$0.00099 applies at this level, broken down as follows: a state consumption tax rate of \$0.00065/kWh, a special regulatory tax rate of \$0.00010/kWh, and a local consumption tax rate of \$0.00024/kWh.

The third tier applies to those who consume electricity per month in excess of 50,000 kWh. The rate charged is \$0.00075 per kWh, split into a state consumption tax rate of \$0.00050/kWh, a special regulatory tax rate of \$0.00007/kWh and a local consumption tax rate of \$0.00018/kWh.

Natural gas users will also be subject to a consumption tax effective January 1, 2001. The tax is based on the volume of gas in units of 100 cubic feet (CCF). Each consumer of natural gas shall pay a tax on the amount of natural gas consumed each month not in excess of 500 CCF at the following rates: a state consumption tax rate of \$0.0135 per CCF, a local consumption tax rate of \$0.004 per CCF, and a special regulatory tax rate of up to \$0.002 per CCF.

Table 12.1 presents the license tax rates on electric, telephone, gas, and water utilities for the 39 cities, the 75 counties and 110 towns that reported imposing a utility license tax during the 2000 tax year. The taxes apply only to services provided by the utility company within the locality. (See Section 13 of this report for local taxation of cable television systems).

The chart below summarizes the responses from the various cities, counties and towns. It becomes apparent that when a locality does charge the tax, it will in the majority of cases charge the maximum amount authorized by law.

	<u>Cities</u>	<u>Counties</u>	<u>Towns</u>
Electricity			
<0.5%	1	2	5
0.5%	36	73	104
>0.5%	0	0	0
Other	1	0	1
Telephone			
<0.5%	0	3	4
0.5%	32	68	99
>0.5%	5	1	4
Other	2	0	1
Gas			
<0.5%	1	3	3
0.5%	31	55	57
>0.5%	0	0	0
Other	0	0	1
Water			
<0.5%	0	1	0
0.5%	3	16	4
>0.5%	0	0	0
Other	0	1	0

Note: Beginning January 1, 2001 the utility license levy will no longer apply to electric suppliers and gas suppliers. Consequently, the rates listed herein will no longer be applicable. Substitute taxes on consumers are explained in §58.1-2900 and in §58.1-2904.



Table 12.1
Utility License Taxes, 2000

Locality	Tax Levy on Gross Receipts (%)			
	Electricity	Telephone	Gas	Water
Cities	Note: All cities responded to the survey. Those that answered "not applicable" for all items in this table are excluded.			
Alexandria	0.5	1.03	0.5	0.5
Bristol	N/A	0.5	N/A	N/A
Buena Vista	0.5	0.5	0.5	N/A
Charlottesville	0.5	0.5	0.5	N/A
Chesapeake	0.5	0.5	0.5	N/A
Clifton Forge	0.5	0.5	0.5	N/A
Colonial Heights	0.5	0.5	0.5	N/A
Covington	0.5	0.5	0.5	N/A
Danville	0.5	0.5	N/A	N/A
Emporia	0.5	0.8	N/A	N/A
Fairfax	0.5	0.5	0.5	N/A
Falls Church	0.5	0.5	0.5	N/A
Franklin	0.5 ^a	0.5	N/A	N/A
Fredericksburg	0.5	0.5	0.5	N/A
Galax	0.5	0.5	N/A	N/A
Hampton	0.5	0.5	0.5	0.5
Harrisonburg	0.5	0.5	0.5	N/A
Hopewell	0.5	0.5	0.5	0.5
Lexington	0.5	0.5	0.5	N/A
Lynchburg	0.5	0.5	0.5	N/A
Manassas	0.5	0.5	0.5	N/A
Manassas Park	Pole charge in lieu of tax	0.5	0.5	N/A
Martinsville	0.5	0.5	0.5	N/A
Newport News	0.5	0.5	0.5	N/A
Norfolk	0.5	0.5	0.5	N/A
Norton	0.5	0.5	N/A	N/A
Petersburg	0.5	0.5	0.5	N/A
Poquoson	0.5	0.5	0.5	N/A
Portsmouth	0.5	0.5	0.5	N/A
Radford	0.5	\$250.75 (flat fee)	0.5	N/A

N/A Not applicable.

^a Tax applies only to annexed areas. Electric utility in other areas of city is municipally owned.

Table 12.1 (continued)

Locality	Tax Levy on Gross Receipts (%)			
	Electricity	Telephone	Gas	Water
Cities (continued)				
Richmond	0.5	3.0	N/A	N/A
Roanoke	0.4	2.4	0.4	N/A
Salem	0.5	0.5	0.5	N/A
Staunton	0.5	0.5	0.5	N/A
Suffolk	0.5	5.0	0.5	N/A
Virginia Beach	0.5	0.5	0.5	N/A
Waynesboro	0.5	0.5	0.5	N/A
Williamsburg	0.5	0.5	0.5	N/A
Winchester	0.5	\$2,400 (flat fee)	0.5	N/A
Counties				
Note: All counties responded to the survey. Those that answered "not applicable" for all items in this table are excluded.				
Accomack	0.5	0.5	N/A	0.5
Albemarle	0.5	0.5	0.5	N/A
Alleghany	0.5	0.5	0.5	0.5
Amelia	0.5	0.5	N/A	N/A
Amherst	0.5	0.5	0.5	0.5
Arlington	0.5	2.0	0.5	0.5
Augusta	0.5	0.5	0.5	N/A
Bath	0.5	N/A	N/A	N/A
Bedford	0.5	0.5	0.5	N/A
Bland	0.5	0.5	N/A	N/A
Botetourt	0.5	0.5	0.5	N/A
Brunswick	0.5	0.5	0.5	N/A
Buchanan	0.5	0.5	0.5	N/A
Buckingham	0.5	0.5	N/A	N/A
Caroline	0.5	0.5	0.5	0.5
Carroll	0.5	0.5	0.5	N/A
Charles City	0.5	0.5	0.5	0.5
Chesterfield	0.5	0.5	0.5	N/A
Clarke	0.5	0.5	0.5	N/A
Craig	0.5	0.5	0.5	0.5
Cumberland	0.5	0.5	0.5	N/A
Dinwiddie	0.5	0.5	0.5	N/A
Fairfax	0.24	0.24	0.24	N/A
Fauquier	0.5	0.5	0.5	N/A
Fluvanna	0.5	0.5	0.5	N/A

N/A Not applicable.

Table 12.1 (continued)

Locality	Tax Levy on Gross Receipts (%)			
	Electricity	Telephone	Gas	Water
Counties (continued)				
Franklin	0.5	0.5	N/A	N/A
Frederick	0.5	0.5	0.5	0.5
Giles	0.5	0.5	0.5	N/A
Gloucester	0.5	0.5	0.5	0.5
Goochland	(min. \$30) 0.5	(min. \$30) 0.5	(min. \$30) N/A	(min. \$30) N/A
Greensville	0.5	0.5	0.5	\$2 max.
Halifax	0.5	0.5	0.5	N/A
Hanover	0.5	0.5	N/A	N/A
Henrico	0.5	0.5	N/A	N/A
	(excluding initial \$100,000)	(excluding initial \$100,000)		
Henry	0.5	0.5	0.5	N/A
Highland	0.5	N/A	N/A	N/A
Isle of Wight	0.5	0.5	0.5	0.5
James City	0.5	0.5	0.5	0.5
King and Queen	0.5	0.5	N/A	N/A
King George	0.5	0.5	0.5	0.5
King William	0.5	0.5	0.5	N/A
Loudoun	0.5	0.5	0.5	N/A
Louisa	0.5	N/A	0.5	N/A
Lunenburg	0.5	0.5	N/A	N/A
Madison	0.5	0.5	0.5	N/A
Mathews	0.5	0.5	N/A	N/A
Montgomery	0.5	0.5	0.5	N/A
Nelson	0.5	0.5	0.5	N/A
New Kent	0.5	0.5	0.5	0.5
Northampton	0.5	0.5	N/A	N/A
Orange	0.5	0.5	0.5	N/A
Page	0.5	0.5	N/A	0.5
Patrick	0.5	0.5	0.5	N/A
Pittsylvania	0.5	0.5	0.5	N/A
Prince Edward	0.5	0.5	0.5	N/A
Prince George	0.5	0.5	0.5	0.5
Prince William	0.5	0.29	0.29	0.29
Pulaski	0.5	0.5	0.5	N/A
Rappahannock	0.5	0.5	0.5	N/A
Roanoke	0.5	0.5	0.5	N/A

N/A Not applicable.

k = \$1,000

Table 12.1 (continued)

Locality	Tax Levy on Gross Receipts (%)			
	Electricity	Telephone	Gas	Water
Counties (continued)				
Rockbridge	0.5	0.5	0.5	N/A
Rockingham	0.5	0.5	0.5	N/A
Shenandoah	0.5	0.5	0.5	N/A
Smyth	0.5	0.5	N/A	N/A
Southampton	0.5	0.5	0.5	0.5
Spotsylvania	0.5	0.5	0.5	N/A
Stafford	0.5	0.5	0.5	N/A
Surry	0.33	0.33	0.33	N/A
Sussex	0.5	0.5	0.5	N/A
Tazewell	0.5	0.5	0.5	N/A
Warren	0.5	0.5	0.5	N/A
Washington	0.5	0.5	0.5	N/A
Wise	0.5	0.5	N/A	N/A
Wythe	0.5	0.5	0.5	N/A
York	0.5	0.5	0.5	N/A
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	0.5	2.0	0.5	N/A
Altavista	0.5	0.5	0.5	N/A
Amherst	0.5	0.5	N/A	N/A
Appomattox	0.5	0.5	N/A	N/A
Ashland	0.5	0.5	0.5	N/A
Berryville	0.5	0.5	0.5	N/A
Big Stone Gap	0.5	0.5	N/A	N/A
Blacksburg	0.5	0.5	0.5	N/A
Blackstone	0.5	0.5	N/A	N/A
Bluefield	0.5	0.5	0.5	N/A
Bowling Green	0.5	0.5	0.5	N/A
Boydton	0.5	0.5	N/A	N/A
Bridgewater	0.5	0.5	0.5	N/A
Broadway	0.5	0.5	0.5	N/A
Brodnax	0.5	0.5	N/A	N/A
Brookneal	0.5	0.5	0.5	N/A
Buchanan	0.5	0.5	N/A	N/A
Cape Charles	0.5	0.5	N/A	N/A
Cedar Bluff	0.5	0.5	0.5	N/A
Charlotte Ct. House	0.5	0.5	0.5	N/A

N/A Not applicable.

Table 12.1 (continued)

Locality	Tax Levy on Gross Receipts (%)			
	Electricity	Telephone	Gas	Water
Towns (continued)				
Chatham	0.5	0.5	0.5	N/A
Chilhowie	0.5	0.5	0.5	N/A
Chincoteague	0.5	0.5	N/A	N/A
Christiansburg	0.5	0.5	0.5	N/A
Clarksville	0.5	0.5	N/A	N/A
Clintwood	0.5	0.5	0.5	N/A
Coeburn	0.5	0.5	N/A	N/A
Colonial Beach	0.5	0.5	0.5	N/A
Crewe	0.5	0.5	N/A	N/A
Culpeper	0.5	0.5	0.5	N/A
Damascus	0.5	0.5	N/A	N/A
Dayton	0.5	0.5	0.5	N/A
Dillwyn	0.5	0.5	N/A	N/A
Dublin	0.5	0.5	0.5	N/A
Dumfries	0.5	0.5	0.5	N/A
Edinburg	0.5	0.5	0.5	N/A
Exmore	0.5	0.5	N/A	N/A
Farmville	0.5	0.5	N/A	N/A
Fries	0.5	0.5	N/A	N/A
Front Royal	0.4	0.5	0.4	N/A
Gate City	0.5	2.0	Flat fee of \$35	N/A
Glade Spring	0.5	0.5	N/A	N/A
Glasgow	0.5	0.5	0.5	N/A
Gordonsville	0.5	0.5	0.5	N/A
Goshen	0.5	0.5	0.5	N/A
Gretna	0.5	0.5	0.5	N/A
Grottoes	0.5	5.0	N/A	N/A
Herndon	0.5	0.5	0.5	N/A
Hillsville	0.5	0.5	N/A	N/A
Hurt	0.5	0.5	0.5	N/A
Independence	0.5	0.5	N/A	N/A
Iron Gate	0.15	0.15	0.15	N/A
Jonesville	0.5	0.5	N/A	N/A
Kenbridge	0.5	0.5	N/A	N/A
Keysville	0.5	0.5	N/A	N/A

N/A Not applicable.

... No response provided.

Table 12.1 (continued)

Locality	Tax Levy on Gross Receipts (%)			
	Electricity	Telephone	Gas	Water
Towns (continued)				
Kilmarnock	0.5	2.0	N/A	N/A
Lacrosse	0.5	0.5
Lawrenceville	0.5	0.5	0.5	N/A
Lebanon	0.5	0.5	0.5	N/A
Leesburg	0.5	0.5	0.5	N/A
Louisa	0.5	0.5	0.5	N/A
Luray	0.5	0.5
Marion	0.5	0.5	0.5	N/A
McKenney	0.5	0.5	0.5	N/A
Middleburg	0.5	0.5	N/A	N/A
Middletown	0.5	0.5	0.5	0.5
Mineral	0.5	0.5	N/A	N/A
Montross	0.5	0.5	N/A	N/A
Mount Jackson	0.5	0.5	N/A	N/A
Narrows	0.5	0.5	0.5	N/A
New Market	0.5	0.5	0.5	N/A
Occoquan	0.5	0.5	0.5	N/A
Onancock	0.5	0.5	N/A	N/A
Orange	0.5	0.5	N/A	N/A
Pamplin	0.2	0.2	N/A	N/A
Pearisburg	0.5	0.5	0.5	N/A
Pennington Gap	0.5	0.5	N/A	N/A
Port Royal	0.5	0.5	0.5	N/A
Pound	0.5	N/A	N/A	N/A
Pulaski	0.5	0.5	0.5	N/A
Purcellville	0.5	0.5	0.5	N/A
Quantico	0.5	0.5	0.5	N/A
Rich Creek	0.5	N/A	0.5	N/A
Rural Retreat	0.5	0.5	0.5	N/A
Saint Paul	0.5	0.5	N/A	N/A
Scottsville	0.5	0.5	0.5	0.5
Shenandoah	0.5	0.5	N/A	N/A
South Boston	0.5	0.5	N/A	N/A
South Hill	0.5	0.5	0.5	N/A

... No response provided.

N/A Not applicable.

Table 12.1 (continued)

Locality	Tax Levy on Gross Receipts (%)			
	Electricity	Telephone	Gas	Water
Towns (continued)				
Stanley	0.5	0.5	N/A	N/A
Stephens City	0.5	0.5	0.5	0.5
Strasburg	0.5	0.5	0.5	N/A
Stuart	0.5	0.5	N/A	N/A
Surry	\$30 flat fee	\$30 flat fee	N/A	N/A
Tappahannock	0.5	0.5	N/A	N/A
Tazewell	0.5	0.5	N/A	N/A
Timberville	0.5	0.5	0.5	N/A
Urbanna	0.5	0.5	0.5	N/A
Victoria	0.5	0.5	...	N/A
Vienna	0.5	0.5	0.5	N/A
Vinton	0.5	0.5	0.5	0.5
Warrenton	0.5	0.5	0.5	N/A
Warsaw	0.5	0.5	N/A	N/A
Washington	0.46	0.46	N/A	N/A
Waverly	0.22	0.22	0.22	...
West Point	0.5	0.5	N/A	N/A
Windsor	0.5	0.5	0.5	N/A
Wise	0.5	0.5	N/A	N/A
Woodstock	0.5	0.5	0.5	N/A
Wytheville	0.5	0.5	0.5	N/A
...	No response provided.			
N/A	Not applicable.			