

## Section 12

### Utility License Taxes, 2001

Localities in Virginia may impose a local license tax on certain types of public service corporations. As authorized by §58.1-3731 of the *Code*, localities may levy a license tax on water or telephone companies 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.

This levy no longer applies 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, consumers of electric and gas power will be subject to a levy described in

§§58.1-2900 and 58.1-2904. (See Section 14 of this study for a listing of the current electric and gas rates.)

**Table 12.1** presents the license tax rates on telephone and water utilities for the 38 cities, the 73 counties and 98 towns that reported imposing a utility license tax during the 2001 tax year. The taxes apply only to services provided by the utility company within the locality. (See Section 13 of this study for local taxation of cable television systems.)

The chart below summarizes the responses from the various cities, counties and towns. In the majority of cases the localities impose the maximum levy permitted.

	<u>Cities</u>	<u>Counties</u>	<u>Towns</u>
Telephone			
<0.5%	0	2	4
0.5%	32	70	89
>0.5%	5	1	4
Other	1	0	1
Water			
<0.5%	0	0	0
0.5%	3	16	3
>0.5%	0	0	0
Other	0	1	0



**Table 12.1**  
**Utility License Taxes, 2001**

Locality	Tax Levy on Gross Receipts (%)	
	Telephone	Water
<b>Cities</b>	Note: All cities responded to the survey. Those that answered "not applicable" for all items in this table are excluded.	
Alexandria	1.03	0.5
Bristol	0.5	N/A
Buena Vista	0.5	N/A
Charlottesville	0.5	N/A
Chesapeake	0.5	N/A
Colonial Heights	0.5	N/A
Covington	0.5	N/A
Danville	0.5	N/A
Emporia	0.8	N/A
Fairfax	0.5	N/A
Falls Church	0.5	N/A
Franklin	0.5	N/A
Fredericksburg	0.5	N/A
Galax	0.5	N/A
Hampton	0.5	0.5
Harrisonburg	0.5	N/A
Hopewell	0.5	0.5
Lexington	0.5	N/A
Lynchburg	0.5	N/A
Manassas	0.5	N/A
Manassas Park	0.5	N/A
Martinsville	0.5	N/A
Newport News	0.5	N/A
Norfolk	0.5	N/A
Norton	0.5	N/A
Petersburg	0.5	N/A
Poquoson	0.5	N/A
Portsmouth	0.5	N/A
Radford	\$250.75 (flat fee)	N/A
Richmond	3.0	N/A

N/A Not applicable.

**Table 12.1 (continued)**

Locality	Tax Levy on Gross Receipts (%)	
	Telephone	Water
<b>Cities (continued)</b>		
Roanoke	2.4	N/A
Salem	0.5	N/A
Staunton	0.5	N/A
Suffolk	5.0	N/A
Virginia Beach	0.5	N/A
Waynesboro	0.5	N/A
Williamsburg	0.5	N/A
Winchester	0.5	N/A
<b>Counties</b>	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
Albemarle	0.5	N/A
Alleghany	0.5	0.5
Amelia	0.5	N/A
Amherst	0.5	0.5
Arlington	2.0	0.5
Augusta	0.5	N/A
Bedford	0.5	N/A
Bland	0.5	N/A
Botetourt	0.5	N/A
Brunswick	0.5	N/A
Buchanan	0.5	N/A
Buckingham	0.5	N/A
Caroline	0.5	0.5
Carroll	0.5	N/A
Charles City	0.5	0.5
Charlotte	N/A	N/A
Chesterfield	0.5	N/A
Clarke	0.5	N/A
Craig	0.5	0.5

N/A Not applicable.

**Table 12.1 (continued)**

Locality	Tax Levy on Gross Receipts (%)	
	Telephone	Water
<b>Counties (continued)</b>		
Cumberland	0.5	N/A
Dinwiddie	0.5	N/A
Fairfax	0.24	N/A
Fauquier	0.5	N/A
Floyd	0.5	N/A
Fluvanna	0.5	N/A
Franklin	0.5	N/A
Frederick	0.5	0.5
Giles	0.5	N/A
Gloucester	0.5	0.5
	(minimum \$50)	(minimum \$50)
Goochland	0.5	N/A
Greensville	0.5	\$2 maximum
Halifax	0.5	N/A
Hanover	0.5	N/A
Henrico	0.5	N/A
	(excluding initial \$100,000)	
Henry	0.5	N/A
Isle of Wight	0.5	0.5
James City	0.5	0.5
King and Queen	0.5	N/A
King George	0.5	0.5
Loudoun	0.5	N/A
Lunenburg	0.5	N/A
Madison	0.5	N/A
Mathews	0.5	N/A
Montgomery	0.5	N/A

N/A Not applicable.

**Table 12.1 (continued)**

Locality	Tax Levy on Gross Receipts (%)	
	Telephone	Water
<b>Counties (continued)</b>		
Nelson	0.5	N/A
New Kent	0.5	0.5
Northampton	0.5	N/A
Orange	0.5	N/A
Page	0.5	0.5
Patrick	0.5	N/A
Pittsylvania	0.5	N/A
Prince Edward	0.5	N/A
Prince George	0.5	0.5
Prince William	0.29	N/A
Pulaski	0.5	N/A
Rappahannock	0.5	N/A
Roanoke	0.5	N/A
Rockbridge	0.5	N/A
Rockingham	0.5	N/A
Shenandoah	0.5	N/A
Smyth	0.5	N/A
Southampton	0.5	0.5
Spotsylvania	0.5	N/A
Stafford	0.5	N/A
Surry	0.5	N/A
Sussex	0.5	N/A
Tazewell	0.5	N/A
Warren	0.5	N/A
Washington	0.5	N/A
Wise	0.5	N/A
Wythe	0.5	N/A
York	0.5	N/A

N/A Not applicable.

**Table 12.1 (continued)**

Locality	Tax Levy on Gross Receipts (%)	
	Telephone	Water
<b>Towns</b>	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	2.0	N/A
Altavista	0.5	N/A
Amherst	0.5	N/A
Appomattox	0.5	N/A
Ashland	0.5	N/A
Berryville	0.5	N/A
Blacksburg	0.5	N/A
Blackstone	0.5	N/A
Bluefield	0.5	N/A
Bowling Green	0.5	N/A
Boydton	0.5	N/A
Bridgewater	0.5	N/A
Broadway	0.5	N/A
Buchanan	0.5	N/A
Cedar Bluff	0.5	N/A
Charlotte CH	0.5	N/A
Chatham	0.5	N/A
Chilhowie	0.5	N/A
Chincoteague	0.5	N/A
Christiansburg	0.5	N/A
Claremont	0.5	N/A
Clintwood	0.5	N/A
Coeburn	0.5	N/A
Colonial Beach	0.5	N/A
Crewe	0.5	N/A
Culpeper	0.5	N/A
Damascus	0.5	N/A
Dayton	0.5	N/A
Dillwyn	0.5	N/A
Dublin	0.5	N/A

N/A Not applicable.

**Table 12.1 (continued)**

Locality	Tax Levy on Gross Receipts (%)	
	Telephone	Water
<b>Towns (continued)</b>		
Edinburg	0.5	N/A
Farmville	0.5	N/A
Fries	0.5	N/A
Front Royal	0.5	N/A
Gate City	2.0	N/A
Glade Spring	0.5	N/A
Glasgow	0.5	N/A
Gordonsville	0.5	N/A
Gretna	0.5	N/A
Grottoes	5.0	N/A
Haymarket	0.5	0.5
Herndon	0.5	N/A
Hillsville	0.5	N/A
Hurt	0.5	N/A
Independence	0.5	N/A
Iron Gate	0.15	N/A
Kenbridge	0.5	N/A
Keysville	0.5	N/A
Kilmarnock	2.0	N/A
Lacrosse	0.5	N/A
Lawrenceville	0.5	N/A
Lebanon	0.5	N/A
Leesburg	0.5	N/A
Louisa	0.5	N/A
Luray	0.5	N/A
Marion	0.5	N/A
McKenney	0.5	N/A
Middleburg	0.5	N/A
Middletown	0.5	0.5
Mineral	0.5	N/A
Montross	0.5	N/A
Mount Jackson	0.5	N/A
Narrows	0.5	N/A
New Market	0.5	N/A
Occoquan	0.5	N/A

N/A Not applicable.

**Table 12.1 (continued)**

Locality	Tax Levy on Gross Receipts (%)	
	Telephone	Water
<b>Towns (continued)</b>		
Onancock	0.5	N/A
Orange	0.5	N/A
Pamplin	0.2	N/A
Pearisburg	0.5	N/A
Pennington Gap	0.5	N/A
Port Royal	0.5	N/A
Pulaski	0.5	N/A
Purcellville	0.5	N/A
Quantico	0.5	N/A
Rural Retreat	0.5	N/A
Saint Paul	0.5	N/A
Shenandoah	0.5	N/A
South Boston	0.5	N/A
South Hill	0.5	N/A
Stanley	0.5	N/A
Stephens City	0.5	0.5
Strasburg	0.5	N/A
Stuart	0.5	N/A
Surry	\$30 flat fee	N/A
Tappahannock	0.5	N/A
Tazewell	0.5	N/A
Timberville	0.5	N/A
Urbanna	0.5	N/A
Victoria	0.5	N/A
Vienna	0.5	N/A
Vinton	0.5	N/A
Warrenton	0.5	N/A
Warsaw	0.5	N/A
Washington	0.46	N/A
Waverly	0.22	N/A
Windsor	0.5	N/A
Woodstock	0.5	N/A
Wytheville	0.5	N/A
N/A Not applicable.		