

## Section 11

### Utility License Tax, 2004

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 telephone and water 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 are subject to a levy described in §§ 58.1-2900 and 58.1-2904. (See Section 13 of this study for a listing of the current electric and gas rates.)

The utility license taxes do not apply to cable television systems (see Section 12 of this study for local taxation of cable television systems), but only to water and telephone utility providers. **Table 11.1** presents the license tax rates on telephone and water utilities for the 38 cities, 72 counties, and 114 towns that reported imposing a utility license tax during the 2004 tax year.

The table below summarizes the responses from reporting cities, counties, and towns. In the majority of cases the localities impose the maximum levy permitted of one-half of 1 percent.

Item	Cities	Counties	Towns
<b>Telephone</b>			
Less than 0.5%	0	2	5
Equal to 0.5%	33	69	104
Greater than 0.5%	4	1	4
Flat amount*	1	0	1
<b>Water</b>			
Less than 0.5%	0	0	1
Equal to 0.5%	3	18	2
Greater than 0.5%	0	0	0

\* Two localities (Radford City and the Town of Surry) choose to levy a flat amount on the utility companies.



**Table 11.1**  
**Utility License Tax, 2004**

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	0.5	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	3.0	N/A
Radford	\$250.75 (flat fee)	N/A
Richmond	3.0	N/A
Roanoke	2.4	N/A
Salem	0.5	N/A
Staunton	0.5	N/A
Suffolk	0.5	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	0.5
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
Chesterfield	0.5	N/A
Clarke	0.5	N/A
Craig	0.5	0.5
Cumberland	0.5	N/A

N/A Not applicable.

**Table 11.1** Utility License Tax, 2004 (continued)

Locality	Tax Levy on Gross Receipts (%)	
	Telephone	Water
<b>Counties (continued)</b>		
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
	(\$30 minimum)	(\$30 minimum)
Goochland	0.5	N/A
Greensville	0.5	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
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 11.1** Utility License Tax, 2004 (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
Alberta	0.5	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
Big Stone Gap	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
Boyce	0.5	N/A
Boydton	0.5	N/A
Bridgewater	0.5	N/A
Broadway	0.5	N/A
Brodnax	0.5	N/A
Brookneal	0.5	N/A
Buchanan	0.5	N/A
Cedar Bluff	0.5	N/A
Chase City	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
Clarksville	0.5	N/A
Clifton Forge	0.5	N/A
Clintwood	0.5	N/A
Coeburn	0.5	N/A
Colonial Beach	0.5	N/A
Courtland	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
Dumfries	0.5	N/A
Edinburg	0.5	N/A
Exmore	0.5	N/A
Farmville	0.5	N/A
Floyd	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
Goshen	0.5	N/A
Gretna	0.5	N/A
Haymarket	0.1	0.1
Haysi	0.5	N/A
Herndon	0.5	N/A
Hillsville	0.5	N/A
Honaker	0.5	N/A
Hurt	0.5	N/A
Independence	0.5	N/A
Iron Gate	0.15	N/A
Jonesville	0.5	N/A

N/A Not applicable.

**Table 11.1** Utility License Tax, 2004 (continued)

Locality	Tax Levy on Gross Receipts (%)	
	Telephone	Water
<b>Towns (continued)</b>		
Kenbridge	0.5	N/A
Keysville	0.5	N/A
Kilmamock	2.0	N/A
La Crosse	0.5	N/A
Lawrenceville	0.5	N/A
Lebanon	0.5	N/A
Leesburg	0.5	N/A
Louisa	0.5	N/A
Lovettsville	0.5	N/A
Luray	0.5	N/A
Marion	0.5	N/A
Middleburg	0.5	N/A
Middletown	0.5	0.5
Mineral	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
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
Pulaski	0.5	N/A
Rocky Mount	0.5	N/A
Rural Retreat	0.5	N/A
Saint Paul	0.5	N/A
Scottsville	0.5	N/A
Shenandoah	0.5	N/A
Smithfield	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
Troutville	3.0	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
Weber City	0.5	N/A
Windsor	0.5	N/A
Wise	0.5	N/A
Woodstock	0.5	N/A
Wytheville	0.5	N/A

N/A Not applicable.