

## Section 14

### 911 Emergency Telephone System Tax, 2006

In fiscal year 2005, the emergency telephone system tax accounted for 1.0 percent of the tax revenues of cities, 0.9 percent for counties, and 0.6 percent for large towns. These are averages; the relative importance of this tax varies significantly in individual cities, counties, and towns. For information on individual localities, see Appendix C.

Section 58.1-3813 of the *Code of Virginia* allows any city, county, or town that has established or will establish an enhanced 911 emergency telephone system to impose a special local tax on the consumer of telephone services. If a town in the county's jurisdiction has established a tax, the county may not apply a tax within that town. The tax only applies to wireline phones. It cannot be imposed on consumers of CMRS (commercial mobile radio service), defined in § 56-484.12 as a "mobile telecommunications service as defined in the federal Mobile Telecommunications Sourcing Act," or on federal, state, or local government agencies.

Any tax levied under this section must be utilized solely for the initial capital, installation, and maintenance costs of the emergency telephone system. For the purpose of compensating a telephone utility for accounting and remitting the tax levied by this section, a utility is allowed to keep 3 percent of the amount of the tax due.

**Table 14.1** provides the year 2006 special tax rates for enhanced 911 emergency telephone services for the 39

cities, 94 counties, and 21 towns that report imposing this tax. The tax ranges from \$0.26 per month (Norton City, Saint Paul Town) to \$3.00 per month. Ten cities (25 percent of the cities) 28 counties (30 percent of the reporting counties) and three towns report charging the maximum tax. The average monthly rate charged by cities is \$2.12. The median rate is \$2.50. The first quartile is \$1.42, while the third is \$2.98. Counties charge an average rate of \$2.04 and a median of \$2.00. The rate at the first quartile is \$1.50 and at the third quartile is \$3.00. Towns tend to charge less. The mean rate for towns is \$1.49 and the median, \$1.50. The first quartile is \$0.75 and the third, \$2.00.

#### E911 Emergency Telephone System Tax Rates

	Cities	Counties	Towns	Total
\$0.00 to \$0.75	3	3	6	12
\$0.76 to \$1.50	9	27	5	41
\$1.51 to \$2.25	6	33	6	45
\$2.26 to \$3.00	21	31	4	56
Total	39	94	21	154
Mean tax	\$2.12	\$2.04	\$1.49	\$1.99
Median tax	\$2.50	\$2.00	\$1.50	\$2.00
1st Quartile	\$1.42	\$1.50	\$0.75	\$1.46
3rd Quartile	\$2.98	\$3.00	\$2.00	\$3.00



\*The telephone utility license fee will be eliminated on January 1, 2007 under new legislation provided in HB 568 (Chapter 780), from the 2006 general session. Under the new legislation, several local taxes, including the cable television system franchise tax, **the local E-911 fees on landline phone service**, the business license taxes in excess of 0.5 percent gross revenues collected by several localities, the local consumer utility taxes on landline and wireless phones, and the local consumer utility tax on cable television service ("grandfathered" in a few localities), will be eliminated in favor of a tax on customers of communications services. The Communications Sales and Use Tax will be imposed at a rate of 5 percent of the sales price of the service. In addition, the E-911 tax will be \$0.75 per access line. The taxes will be collected by local providers, and remitted to the Virginia Department of Taxation. The funds will then be distributed to the localities. More information can be found in the Virginia Municipal League's magazine, *Virginia Town and City*, in two articles: "Collect Call: New Telecommunications Tax Law Required a Giant Leap of Faith" (May, 2006), found on the web at <http://www.vml.org/VTC/VTC4105-1.html> (9/28/2006), and "Have a Question About the New State Telecommunications Tax Law? We Have the Answer..." (June, 2006), found on the web at <http://www.vml.org/VTC/VTC4106-2.html> (9/28/2006).

**Table 14.1**  
**911 Emergency Telephone System Tax, 2006**

Locality	Monthly Tax Rate Per Line	Locality	Monthly Tax Rate Per Line
(Note: All cities responded to the survey. Those that answered "not applicable" are excluded.)			
<b>Cities</b>		<b>Cities (continued)</b>	
Alexandria	\$0.50	Manassas	\$3.00
Bedford	\$3.00	Manassas Park	\$3.00
Bristol	\$0.65	Martinsville	\$3.00
Buena Vista	\$3.00	Newport News	\$2.58
Charlottesville	\$1.50	Norfolk	\$2.95
Chesapeake	\$2.50	Norton	\$0.26
Colonial Heights	\$2.00	Petersburg	\$1.18
Covington	\$3.00	Poquoson	\$2.50
Danville	\$2.65	Portsmouth	\$3.00
Emporia	\$2.00	Radford	\$3.00
Fairfax	\$0.88	Richmond	\$3.00
Falls Church	\$1.00	Roanoke	\$2.00
Franklin	\$3.00	Salem	\$1.40
Fredericksburg	\$0.90	Staunton	\$2.90
Galax	\$1.00	Suffolk	\$2.50
Hampton	\$2.60	Virginia Beach	\$2.60
Harrisonburg	\$1.44	Waynesboro	\$2.50
Hopewell	\$2.00	Williamsburg	\$2.00
Lexington	\$1.25	Winchester	\$2.45
Lynchburg	\$2.00		

(Note: All counties responded to the survey. Those that answered "not applicable" are excluded.)

County	Monthly Tax Rate Per Line	County	Monthly Tax Rate Per Line
<b>Counties</b>			
<b>Counties</b>		<b>Counties (continued)</b>	
Accomack	\$2.00	Goochland	\$1.00
Albemarle	\$2.00	Grayson	\$1.50
Alleghany	\$0.30	Greene	\$2.00
Amelia	\$1.00	Greensville	\$2.00
Amherst	\$1.00	Halifax	\$3.00
Appomattox	\$3.00	Hanover	\$3.00
Arlington	\$1.75	Henrico	\$1.00
Augusta	\$2.00	Henry	\$0.72
Bedford	\$3.00	Highland	\$1.50
Bland	\$3.00	Isle of Wight	\$3.00
Botetourt	\$1.25	James City	\$0.75
Brunswick	\$3.00	King & Queen	\$2.00
Buchanan	\$3.00	King George	\$2.00
Buckingham	\$3.00	King William	\$3.00
Campbell	\$1.60	Lancaster	\$0.80
Caroline	\$1.25	Lee	\$2.00
Carroll	\$1.50	Loudoun	\$2.00
Charles City	\$1.50	Louisa	\$2.00
Charlotte	\$2.00	Lunenburg	\$1.50
Chesterfield	\$2.00	Madison	\$3.00
Clarke	\$2.00	Mathews	\$2.00
Craig	\$1.50	Mecklenburg	\$2.75
Culpeper	\$3.00	Middlesex	\$2.00
Cumberland	\$3.00	Montgomery	\$1.00
Dickenson	\$3.00	Nelson	\$2.00
Dinwiddie	\$2.00	New Kent	\$3.00
Essex	\$1.50	Northampton	\$2.00
Fairfax	\$3.00	Northumberland	\$1.05
Fauquier	\$3.00	Nottoway	\$1.12
Floyd	\$3.00	Orange	\$2.00
Fluvanna	\$2.25	Page	\$2.50
Franklin	\$1.80	Patrick	\$1.96
Frederick	\$1.60	Pittsylvania	\$3.00
Giles	\$2.25	Powhatan	\$3.00
Gloucester	\$1.35	Prince Edward	\$2.00

**Table 14.1** 911 Emergency Telephone System Tax, 2006 (continued)

Locality	Monthly Tax Rate Per Line	Locality	Monthly Tax Rate Per Line
<b>Counties (continued)</b>		<b>Counties (continued)</b>	
Prince George	\$3.00	Southampton	\$1.75
Prince William	\$1.75	Spotsylvania	\$1.00
Pulaski	\$1.00	Stafford	\$2.50
Rappahannock	\$1.50	Surry	\$1.49
Richmond	\$3.00	Sussex	\$2.17
Roanoke	\$1.46	Tazewell	\$1.50
Rockbridge	\$3.00	Warren	\$1.80
Rockingham	\$3.00	Washington	\$1.00
Russell	\$3.00	Westmoreland	\$3.00
Scott	\$3.00	Wise	\$1.25
Shenandoah	\$1.70	Wythe	\$3.00
Smyth	\$1.50	York	\$2.18
(Note: Towns that responded "not applicable" are excluded. For a listing of town respondents and nonrespondents, see Appendix B.)			
<b>Towns</b>		<b>Towns (continued)</b>	
Altavista	\$1.60	New Market	\$1.70
Blacksburg	\$1.41	Onancock	\$0.75
Chase City	\$2.00	Pulaski	\$3.00
Chincoteague	\$1.00	Rural Retreat	\$1.75
Christiansburg	\$0.50	Saint Paul	\$0.26
Colonial Beach	\$3.00	South Boston	\$2.50
Dublin	\$0.42	Vinton	\$1.46
Farmville	\$3.00	West Point	\$1.55
Fries	\$1.00	Wise	\$0.26
Glade Spring	\$0.69	Wytheville	\$2.00
Monterey	\$1.50		