

Virginia Local Tax Rates, 2009

Information for All Cities and Counties and Selected Incorporated Towns

28th Annual Edition

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**In Cooperation
with
The Virginia Association of Counties
and
The Virginia Municipal League**



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Introduction

FOREWORD

This is the twenty-eighth edition of the Cooper Center's annual publication on tax rates levied by Virginia's local governments. This comprehensive guide to local taxes is based on information gathered in the spring, summer, and early fall of 2009. The study includes all of Virginia's 39 independent cities and 95 counties and 149 of the 190 incorporated towns. The included towns account for 91 percent of the commonwealth's population in towns. In addition to survey data, the study includes information from several outside sources, including two Department of Taxation studies, *2009 Legislative Summary* and *The 2007 Assessment/Sales Ratio Study*, as well as Department of Taxation information on the assessed value of real estate by type of property. We also used the Auditor of Public Accounts' *Comparative Report of Local Government Revenues and Expenditures, Year Ended June 30, 2008*, the Commission on Local Governments' *Report on Proffered Cash Payments and Expenditures by Virginia's Counties, Cities and Towns, 2007-2008*, and the Department of Housing and Community Development's information on enterprise zones. Additional sources included a Stone and Youngberg presentation before the Virginia Municipal League on community development authorities and transportation commissions' information on taxes and fees.

ORGANIZATION OF THE BOOK

The study is separated into 27 sections. We have reprinted as Section 1 the Department of Taxation's information on 2009 state legislation affecting local taxation, which also is available on the department's web site: <http://www.tax.virginia.gov/site.cfm?alias=LegislativeSummary> (12/18/2009). Please note that when web addresses are provided we show in parentheses the last date we accessed the site.

Sections 2 through 27 cover specific taxes, fees, service charges, cash proffers, enterprise zones and web content. Most of the data came from a detailed web-based questionnaire provided to all cities, counties and incorporated towns (see Appendix A for a hardcopy version). Appendix B provides a listing of names, phone numbers and email addresses, when available, of respondents and non-respondents to the questionnaire. Appendix C shows the percentage share of total local taxes represented by each specific tax for each locality. The latest data available from the Auditor of Public Accounts are from fiscal year 2008. Information

is provided for each city and county and for 36 populous incorporated towns. Appendix D contains the most recently available population estimates for cities and counties from the Demographics and Workforce Section of the Weldon Cooper Center and for towns from the U.S. Census Bureau. The population information is provided to give readers some perspective on the relative size of governmental units.

Additional information on state and local government finance is available on the Cooper Center's VaStat web site: http://www.coopercenter.org/econ/vastat?min=6&cat_name=Taxation and Revenues (12/18/2009). Most of the information at the site is for Virginia, but there are also links for nearby states and national links. (The Schmidt Enterprises, LLC link is particularly useful for finding information for other states.)

ABOUT THE SURVEY

In 2009 we again made the questionnaire available online. In addition we created a new pdf form that could be filled out on the user's computer and returned via email. If a locality still wished, we would send a hardcopy form that had to be filled in manually. Eighty-five percent of the cities, 77 percent of the counties, and 81 percent of the 149 incorporated towns that responded used the web-based survey form. In 2008, the respective percentages were 82 percent, 86 percent, and 91 percent. The numbers are down from last year for counties and towns, but many of those used the new pdf form, thereby keeping hard copy mailings to a minimum.

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 remote possibility that in one or both years the response was inaccurate or that we made an error.

In the tables three dots (...) are used to show there was no response and "N/A" is used to indicate "not applicable." Readers may use the telephone/email list in Appendix B to contact local officials in order to obtain clarification and additional detail.

WHAT'S NEW OR DIFFERENT

This edition contains several new features and several old features that have been modified or moved. First, this edition contains new information about special real property taxes in Section 2, including tables on community development authorities and the special property levy on commercial

property in Northern Virginia. In Section 4, information about local use values has been added and we have included a comparison of the local use value to the use values developed by the State Land Advisory Council (SLEAC). We have added Section 27, which pertains to the fiscal content of locality web sites. Finally, we have a new Appendix D, which provides population estimates of Virginia's localities.

In addition to this new information, we have also modified and moved around certain items in other sections. The table referring to local assessed valuations of real property, which had been in an appendix in the 2008 edition, has been moved into Section 2. The merchants' capital section has been modified to reflect the new law that makes the tax on daily rental equipment a stand alone tax. Information about the tax on daily rental equipment has been moved to Section 19, "Miscellaneous Taxes." In Section 14, we have split the old table of BPOL fees and rates into two tables to make the information easier to read and compare. Finally, in Section 26, "Virginia Enterprise Zone Program," the table of programs has been eliminated because a listing of the programs is now easily accessible at the web site of the Virginia Department of Housing and Community Development.

STUDY PERSONNEL

John L. Knapp, Ph.D., Professor Emeritus and Senior Research Economist in the Center for Economic and Policy Studies (CEPS), was the project director. In this capacity he designed and edited the publication and was responsible for final approval of the entire content. Stephen C. Kulp, CEPS Research Specialist, was responsible for all day-to-day work on the project. He refined the new database, administered the survey, translated the results into tables, checked relevant code sections, assisted with the development of the web-based questionnaire, and made appropriate changes in the text. Yvonne T. Baki, CEPS Web and Database Specialist, maintained and revised the web-based questionnaire. William M. Shobe, Ph.D., CEPS Research Director, monitored the study and assured provision of staff support.

Finally, Naushad S. Parpia, CEPS student research assistant, helped review and edit the manuscript. David J. Borszich, of the center's publications unit, updated the cover and flier design, and obtained the contract with the printer. Cooper Center employee Albert W. Spengler, who authored this study for a number of years prior to 1991, laid the foundation for the study when it was his responsibility.

The questionnaire content and wording was reviewed by William J. White, Department of Taxation; Mary Jo Fields, Virginia Municipal League; Joann M. Draughn, Virginia Economic Development Partnership; and John H. Garka and Betsy Daley, Division of Legislative Services, Ted McCormack, Virginia Association of Counties, Steve Ziony, Commission on Local Government, and John Bowman, Professor Emeritus, Virginia Commonwealth University. We wish to acknowledge the assistance of the Virginia Department of Taxation's Joshua Silverman of the for providing the data concerning assessed values of real estate by category and Keith Mawyer for explaining various tax issues. Finally, Bethany J. Miller of the Virginia Department of Housing and Community Development provided information on enterprise zones. We take full responsibility for any remaining errors. The strong support for this publication by the Virginia Association of Counties and the Virginia Municipal League adds to its acceptance as a basic reference on Virginia local taxes.

FINAL COMMENTS

We are grateful to the many local officials throughout the Commonwealth who supplied the survey information presented in this study. We thank them for their willingness to provide information and their patience in answering follow-up questions. Excellent response rates of 100 percent for the cities and counties and 78 percent for the towns could not have been achieved without their cooperation.

Please let us hear from you if you have corrections or suggestions for possible changes or additions to future editions. Our email addresses and phone numbers are listed below.



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