

BF- 2009-02: RESOLUTION REQUESTING CHANGES TO THE BUSINESS AND PROFESSIONAL OCCUPATIONS LICENSE TAX RATES

1. WHEREAS Fairfax County has limited taxing authority causing most of the county revenue to come from real estate taxes; and

2. WHEREAS Virginia statutes authorize Fairfax County to set Business and Professional Occupations License (“BPOL”) tax rates as described in Virginia Code Section 58.1-3706; and

3. WHEREAS Fairfax County’s current BPOL tax rates for gross receipts above \$100,000 are less than the maximum authorized by the Virginia Code and less than those rates set by Alexandria City, Arlington County and Prince William County; and

4. WHEREAS an increase in the BPOL revenue would enhance diversification of the county tax base thereby reducing the county’s reliance on real property taxes;

A. THEREFORE, BE IT RESOLVED that the Mount Vernon Council of Citizens Associations urges the Fairfax Board of Supervisors to apply the Business and Professional Occupations License Tax Rates as recommended below:

Max Rate Allowed by State Statute per \$100 of Gross Receipts	Current Tax Rate In Fairfax County	Business or Profession	FY 2008 Fairfax County Actual BPOL Tax Revenue	Recommended Tax Rate per \$100 of Gross Receipts	Total BPOL Revenue Based on same gross receipts at Recommended Tax Rate
\$0.03	\$0.03	Research and Development	\$ 651,101	\$0.03	\$ 651,101
\$0.05	\$0.04	Wholesale Merchant	\$ 1,322,090	\$0.05	\$ 1,652,612
\$0.16	\$0.05	Builder and Developers	\$ 612,778	\$0.16	\$1,960,889.00
\$0.16	\$0.11	Contractor	\$ 8,235,315	\$0.16	\$11,978,640.00
\$0.20	\$0.17	Retail Merchant	\$ 26,077,378	\$0.20	\$30,679,268.00
\$0.36	\$0.19	Business Service	\$ 29,414,007	\$0.31	\$ 47,991,274
\$0.36	\$0.19	Personal Service	\$ 5,278,508	\$0.31	\$ 8,612,302
\$0.36	\$0.19	Money Lender	\$ 1,279,320	\$0.31	\$ 2,087,311
\$0.36	\$0.19	Repair Service	\$ 2,246,381	\$0.31	\$ 3,665,147
\$0.50	\$0.25	Telephone Company	\$ 1,803,145	\$0.25	\$ 1,803,145
\$0.36	\$0.26	Renting by Owner	\$ 9,847,786	\$0.31	\$ 11,741,591
\$0.36	\$0.26	Hotel and Motels	\$ 1,381,541	\$0.26	\$ 1,381,541
\$0.36	\$0.26	Amusement	\$ 217,032	\$0.26	\$ 217,032
\$0.36	\$0.31	Consultants & Specialized	\$ 32,208,693	\$0.33	\$ 34,286,673
\$0.58	\$0.31	Professional	\$ 16,147,866	\$0.33	\$ 17,189,663
\$0.58	\$0.31	Real Estate Brokers	\$ 1,600,283	\$0.33	\$ 1,703,527
		<b>Total</b>	<b>\$ 138,323,224</b>		<b>\$177,601,716</b>