

# TAX COMPARISONS

## 2009



### **Between**

Spotsylvania County  
Caroline County  
City of Fredericksburg  
King George County  
Stafford County

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# TAXES

## State & Local Taxes

Businesses in Virginia pay both state and local taxes. State taxes include a 6.0 percent corporate income tax and a 3.0 percent sales and use tax. Local taxes include real estate, tangible personal property, a 1.0 percent sales and use tax, and utility taxes. Also, manufacturers may pay either a local merchants capital tax or business license tax.

## Sales and Use Tax

All counties and cities in Virginia levy a 1.0 percent local sales and use tax. The local tax is collected at the same time as the 3.5 percent state tax, making a combined levy of 4.5 percent.

## Sales and Use Tax Exemptions

Manufacturers receive broad exemptions for purchases used in production, including machinery, tools, spare parts, industrial fuels, and raw materials. Distributors receive exemptions for items purchased for resale. All businesses receive exemptions for custom computer software advertising, certain promotional materials; items used in research and development, and certified pollution control equipment. Additional exemptions are available.

Spotsylvania County gives a partial exemption from taxation for a period of 5 years for qualifying real estate that has been substantially rehabilitated for commercial or industrial use. To qualify, a structure must be at least 40 years of age and meet any other prescribed criteria.

## Other Tax Exemptions

- |                            |  |
|----------------------------|--|
| <b>Intangible Property</b> | Virginia does not tax intangible personal property including stocks, bonds, notes, accounts receivable, money, or computer software.   |
| <b>Inventory</b>           | Inventory, including all materials used in a business, is not taxed at the state or local level in Virginia, with the exception that merchants may be subject to a local tax on inventory through the merchants capital tax. |
| <b>License Tax</b>         | Localities are prohibited from levying a license tax on the gross receipts of manufacturers when the sales are at wholesale and occur at the place of manufacture.   |

# TAXES

## **Summary of Tax Exemptions for Manufacturers in Spotsylvania County**

- ◆ Tangible Property Tax Exemption for manufacturers on business furniture and fixtures
- ◆ Business License Tax Exemption for manufacturers for the privilege of manufacturing and selling goods, wares and merchandise at wholesale at the place of manufacture
- ◆ Manufacturing Inventory Tax Exemption
- ◆ Local Sales Tax Exemption for manufacturers for purchases used in production
- ◆ Certified Pollution Control Facilities and Equipment Exemption from real and or personal property taxes
- ◆ Machinery and Tools Tax Exemption: Five-year decreasing scale

## Tax Comparables

### Taxes on Real Estate

*Nominal Tax Rate per \$100 of Assessed Valuation*

	<b>Spotsylvania County</b>	<b>Caroline County</b>	<b>City of Fredericksburg</b>	<b>King George County</b>	<b>Stafford County</b>
1993	.86	.68	1.09	.91	.99
1994	.86	.625	1.12	.91	1.08
1995	.86	.625	1.16	.91	1.08
1996	.86	.655	1.16	.75	1.08
1997	.92	.71	1.16	.75	1.08
1998	.94	.71	1.16	.75	1.08
1999	1.02	.71	1.13	.75	1.08
2000	1.02	.75	1.13	.75	1.18
2001	1.07	.75	1.15	.75	1.22
2002	1.01	.725	1.13	.72	1.14
2003	1.01	.725	1.13	.72	1.14
2004	.86	.80	.89	.77	.97
2005	.89	.79	.92	.77	.97
2006	.62	.79	.89	.77	.63
2007	.62	.48	.53	.44	.70
2008	.62	.53	.56	.45	.84
2009	.62	.53	.70	.44	.84

*Assessment Ratio = 100% of Fair Market Value  
Real estate is reassessed every two years in Spotsylvania County*

### Merchant's Capital Tax

<b>Locality</b>	<b>Nominal Tax Rate (per \$100)</b>	<b>Assessment Ratio</b>	<b>Effective Tax Rate (per \$100)</b>
<i>Spotsylvania County</i>	---	---	---
Stafford County	\$0.50	100	\$0.50
City of Fredericksburg	---	---	---
Caroline County	---	---	---
King George County	---	---	---

## Tax Comparables

### Taxes on Machinery and Tools

Locality	Basis of Assessment	Age of Machinery	Percent	Nominal Tax Rate Per \$100	Effective Tax Rate Per \$100
Spotsylvania County	Original Cost	1	50	\$2.50	\$1.25
		2	45	\$2.50	\$1.13
		3	40	\$2.50	\$1.00
		4	30	\$2.50	\$0.75
		5+	20	\$2.50	\$0.50
Stafford County	Original Cost	1	90	\$0.75	\$0.68
		2	80	\$0.75	\$0.60
		3	65	\$0.75	\$0.49
		4	50	\$0.75	\$0.38
		5	35	\$0.75	\$0.27
		6+	20	\$0.75	\$0.15
City of Fredericksburg	Original Cost	1	90	\$0.80	\$0.72
		2	80	\$0.80	\$0.64
		3	70	\$0.80	\$0.56
		4	60	\$0.80	\$0.48
		5	45	\$0.80	\$0.36
		6	30	\$0.80	\$0.24
		7+	20	\$0.80	\$0.16
Caroline County	Original Cost	---	20%	\$3.50	\$0.90
King George County	Original Cost	---	20%	\$2.50	\$0.50

### Tangible Property Tax - Taxes on automobiles and trucks of less than two tons

Locality	Items Used for Tax Purposes	Assessment Ratio	Nominal Tax Rate per \$100
Spotsylvania County	Retail Value	50	\$5.00
Stafford County	Retail Value	40	\$5.49
City of Fredericksburg	Retail Value	90	\$2.99
Caroline County	Retail Value	40	\$6.25
King George County	Trade-In Value	100	\$3.10

*NOTE: All localities use N.A.D.A. Official Used Car Guide*

## Tax Comparables

### Tangible Personal Property Tax – *Taxes on large trucks of two tons and greater*

Locality	Items Used for Tax Purposes		Assessment Ratio		Nominal Tax Rate per \$100 Assessed Value
	Value	Percentage of Value	Age (years)	Percentage	
Spotsylvania County	Original Cost	---	1	50	\$5.00
			2	45	
			3	40	
			4	30	
			5+	20	
Stafford County	Original Cost	---	1	40	\$5.49
			2	35	
			3	30	
			4	25	
			5	20	
			6+	15	
City of Fredericksburg	N/A	---	1	90	\$2.99
			2	80	
			3	70	
			4	60	
			5	45	
			6	30	
			7+	20	
Caroline County	Original Cost	---	1	35	\$6.25
			2	28	
			3	21	
			4	14	
			5+	10	
King George County	Trade-In Value	100	1	50	\$3.10
			2	45	
			3	40	
			4	35	
			5	30	
			6	25	
			7	20	

*Spotsylvania County prorates cars, trucks and motorcycles as of 1/1/98. However, trailers, campers, motor homes, boats, airplanes, business property and machinery and tools are not affected by proration. These are assessed as of the status on January 1 of each year.*

## Tax Comparables

### Taxes on Industrial Utility Bills

<b>Locality</b>	<b>Electric</b>	<b>Telephone</b>	<b>Gas</b>
Spotsylvania County	10% on the first \$300 and 1% over \$300 and above on each monthly bill	10% on the first \$300 and 1% over \$300 and above on each monthly bill	10% on the first \$300 and 1% over \$300 and above on each monthly bill
Stafford County	10% of the first \$2,000 of each monthly bill	20% of the first \$500 of each monthly bill	20% of the first \$500 of each monthly bill
City of Fredericksburg	10% on the first \$2,000 of each monthly bill	20% on the first \$500 of each monthly bill	20% on the first \$500 of each monthly bill
Caroline County	20% on the first \$50 of each monthly bill	20% on the first \$50 of each monthly bill	20% on the first \$50 of each monthly bill
King George County	10% on the first \$100 of each monthly bill	15% on the first \$10 of each monthly bill	15% on the first \$10 of each monthly bill

### Business, Professional, and Occupational License Taxes on Professional and Retail Merchants

<b>Locality</b>	<b>Minimum Tax</b>	<b>Gross Receipts Tax</b>	<b>Threshold Amount</b>
Spotsylvania County	---	Yes	\$200,000
Stafford County	---	Yes	\$200,000
City of Fredericksburg	\$25	Yes	\$0
Caroline County	---	Yes	\$50,000
King George County	\$25	Yes	\$2,500

# Tax Comparables

## Spotsylvania County Business License Tax

### Gross Receipts

TAX RATE CHART	
DESCRIPTION	Per \$100
Amusements	.18
Business Services	.18
Contractors	.08
Developers	.18
Direct Sellers	.10
Itinerant Merchants & Peddlers	.10
Miscellaneous	.18
Out of Area Contractors	.08
Photographers	.18
Professionals	.29
Personal Services	.18
Retail Merchants	.10
Rentals	.18
Repair Services	.18
Wholesale Merchants	.025

\$200,000 or less . . . . No filing or tax due

\$200,001 or above . . .First \$50,000 is exempt and the remaining gross per the tax rate chart

**\*\*MANUFACTURERS ARE EXEMPT FROM BUSINESS LICENSE TAX\*\***

This example applies to Spotsylvania County only.

Example: A repair service business that is reporting gross income of \$225,000.

\$225,000	(Reported Gross Income)
- 50,000	(Exemption automatically done by the computer system)
175,000	(Taxable Amount)
x .0018	(Tax Rate)
\$ 315.00	(TAX DUE)

## Summary of State and Local Taxes Imposed by Jurisdiction

Locality	Spotsylvania County	Stafford County	City of Fredericksburg	Caroline County	King George County
<b>Intangible Property Tax/ Merchants Capital Tax<sup>1</sup></b>		X			
<b>Real Property Tax</b>	X	X	X	X	X
<b>Sales and Use Tax on Retail Purchases</b>	X	X	X	X	X
<b>Gross Receipt Tax<sup>2</sup></b>	X	X	X	X	X
<b>Unemployment Compensation Tax</b>	X	X	X	X	X
<b>Utility Consumer Tax</b>	X	X	X	X	X
<b>Corporate Income Tax</b>	X	X	X	X	X
<b>Personal Property Tax</b>	X	X	X	X	X

<sup>1</sup> Merchants= Capital Tax levied on wholesale and retail merchants at the rate of \$.05 per \$100 of the excess of accounts receivable over accounts payable.

<sup>2</sup> Taxes measured on gross receipts, including Business and Occupation tax and License tax.

# Spotsylvania County

## Deadlines

January 15	State Estimated Tax Due (#4)
February 1	Personal Property Filing Due Date
February 5	Building Supplement Payments Due
March 1	Tax Relief Filing Due Date
March 1	Business License Filing Due Date (for existing businesses)
April 14	Decals Due
April 15	Federal Taxes Filing/Payment Due
April 15	Business License Payments Due
May 1	State Estimated Tax Due (#1)
May 1	State Income Filing/Payment Due
June 5	1st Half Personal Property and Real Estate Taxes Due
June 15	State Estimated Tax Due (#2)
September 15	State Estimated Tax Due (#3)
November 1	Land Use Applications Due for First Time Filers
December 5	Revalidation of Land Use Applications Due
December 5	2nd Half Personal Property and Real Estate Taxes
December 31	Dog Tags Due (No later than 1/31)

### Property Taxes

**Personal Property:** A Personal Property Return must be filed with the Commissioner of Revenue by **February 1** of each year. Forms are available January 1st and are mailed to residents who have previously filed returns or have notified the Commissioner of their addresses.

**Real Estate:** Copies of tax bills are forwarded to a mortgage company if requested by the company at least 60 days prior to the payment due date.

**Due Date:** Personal Property and Real Estate tax bills are mailed out twice a year approximately 30 days prior to the dates of June 5th and December 5th. Residents not receiving bills should contact the Treasurer's office to avoid penalty and interest. Penalties are assessed on the day following the due date with interest starting on the first day of the following month.

**Building Supplements:** Taxes are assessed on all new buildings completed on your property prior to November 1st. Supplemental bills are mailed out approximately on January 1 with payment due by February 5th. Penalties and interest accrue as with other property tax bills. Owners of newly constructed homes should be aware that these supplemental tax bills may be sent to your builder. If you have not received your bill by January 20th, you should contact your builder and/or the Treasurer's Office.

### Business License

The renewal filing date for a business license is March 1; late filing penalties applied on March 2. Tax payments are due April 15; late payment penalties are added on April 16. Interest begins to accrue on May 16. For a new business or a change of ownership in an existing business, you must file first for a zoning use permit then for a business license before opening. Payment of the license fee is due within 30 days of opening.

### Meals Tax

Any person selling prepared food consumed on or off the sellers' premises is required to register and collect a 4% meals tax. You must remit the tax collected during the preceding month to the Treasurer's Office on or before the 20<sup>th</sup> day of each month.

**Spotsylvania County Government  
Departmental Telephone Numbers**

Animal Control .....	(540) 507-7450
Assessment.....	(540) 507-7777
Budget.....	(540) 507-7590
Building Office .....	(540) 507-7222
Business License.....	(540) 507-7051
Capital Projects Management .....	(540) 507-7009
Circuit Court .....	(540) 507-7600
Code Compliance.....	(540) 507-7222
Commissioner of Revenue.....	(540) 507-7052
Commonwealth’s Attorney.....	(540) 507-7650
Community Development.....	(540) 507-7222
County Administration.....	(540) 507-7010
County Attorney.....	(540) 507-7020
Economic Development.....	(540) 507-7210
Emergency Communications .....	(540) 507-7198
Environmental Engineering .....	(540) 507-7222
Finance.....	(540) 507-7575
Fire, Rescue and Emergency Management.....	(540) 507-7900
General District Court.....	(540) 507-7682
General Services .....	(540) 507-7700
GIS/ Mapping.....	(540) 507-7280
Health Department (Environmental).....	(540) 507-7386
Health Department (Medical) .....	(540) 507-7400
Human Resources .....	(540) 507-7290
Information Services.....	(540) 507-7500
Juvenile Domestic Relations Court.....	(540) 507-7676
Meals Tax.....	(540) 507-7051
Parks & Recreation .....	(540) 507-7529
Personal Property .....	(540) 507-7052
Planning .....	(540) 507-7434
Purchasing.....	(540) 507-7586
Real Estate .....	(540) 507-7053
Sheriffs Department.....	(540) 507-7200
Social Services (Benefits & Services) .....	(540) 507-7898
State Income.....	(540) 507-7054
Tourism.....	(540) 507-7205
Treasurers Office .....	(540) 507-7058
Utilities & Utility Billing.....	(540) 507-7300
Virginia Cooperative Extension .....	(540) 507-7570
Visitor Center (Courthouse).....	(540) 507-7996
Visitor Center (Massaponax) .....	(540) 507-7090
Voter Registration.....	(540) 507-7380
Zoning Office.....	(540) 507-7222

## Notes

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