



**CITY OF HARRISONBURG
COMMISSIONER OF THE
REVENUE**

KAREN I. ROSE, MCR

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TO: Eric Campbell, City Manager
FROM: Karen I. Rose, Commissioner of the Revenue
DATE: October 27, 2021
RE: Refund of Business, Professional and Occupational License (BPOL) for 2021

Summary: Approval of business, professional and occupational license refund for 2021

Background: § 58.1-3981 of the Code of Virginia requires City Council approval of any refunds in excess of \$5,000. To provide Council with adequate information to determine approval while also maintaining confidentiality pursuant to Code of Virginia §58.1-3, the business name has been redacted on the Certificate of the Commissioner of the Revenue. The original version of the Commissioner's certification is on file in the Commissioner's office, protected by attorney-client privilege, and is signed by the City Attorney and will be provided to the Treasurer following Council approval.

Key Issues:

TAXPAYER A filed a 2021 business license renewal form with their prior year gross receipts as the basis. TAXPAYER A opened an operations support office in another Virginia jurisdiction in 2020 and was audited by that jurisdiction. Based on the Virginia Supreme Court case Ford Motor Credit v. Chesterfield County, the licensee had to use the payroll apportionment method to determine the amount of gross receipts reported in each jurisdiction and therefore reduce the gross receipts reported to Harrisonburg. The license basis was reduced to the gross receipts after apportionment and a refund is due. Amount of refund: \$ 6,193.56.

Environmental Impact: n/a

Fiscal Impact: The city will refund the business license in the amount of \$6,193.56, plus interest as required by law.

Prior Actions: None

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Alternatives: (a) approve and direct business license refund
(b); or

Community Engagement: None

Recommendation: Staff recommends approval of the application for refund of business license.

Attachments: Certification Letter from Commissioner of the Revenue

Review:

The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.

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