



City of Harrisonburg, Virginia

Office of the City Manager

409 South Main Street
Harrisonburg, VA 22801
(540) 432-7701 / FAX (540) 432-7778

Eric D. Campbell
City Manager

TO: Eric Campbell, City Manager
FROM: Karen I. Rose
DATE: April 2, 2018
RE: Refund of Business Machinery and Tools for 2017

Summary: Approval of business machinery and tools refund for 2017

Background: § 58.1-3981 of the Code of Virginia requires City Council approval of any refunds in excess of \$2,500. 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 will be signed by the City Attorney and provided to the Treasurer following Council approval.

Key Issues:

TAXPAYER A filed a business machinery and tools return in 2017 showing additional costs for the machinery and tools purchased in 2015. TAXPAYER A paid the 2017 machinery and tools tax. The Commissioner of the Revenue office also went back and assessed a 2016 supplemental for the additional 2015 costs reported on the 2017 return. TAXPAYER A inquired about the supplemental assessment and said they had incorrectly filed their 2017 machinery and tools return. An audit was conducted and a physical inspection of the plant was made and all machinery and tools documented. Amount of refund: \$ 44,002.93.

Environmental Impact: NONE

Fiscal Impact: The city will refund the business machinery and tools in the amount of \$44,002.93 for 2017, plus interest as required by law.

Prior Actions: None

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

Community Engagement: None



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Recommendation: Staff recommends approval of the application for refund of business machinery and tools.

Attachments: Certification Letter from Commissioner of 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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