

## ADMISSIONS TAX

- [Virginia Code § 58.1-3840](#) provides that any city or town having general taxing powers established by their charters may impose an excise tax on admissions with no rate limitation.
- Counties cannot levy such a tax unless specifically enabled. Albemarle County does not have the enabling authority.
- [Virginia Code § 58.1-3818](#) enables thirteen counties (Arlington, Brunswick, Charlotte, Clarke, Culpeper, Dinwiddie, Fairfax, Madison, Nelson, New Kent, Prince George, Stafford, and Sussex) to levy admissions taxes at a rate not to exceed 10 percent and Roanoke County is enabled by its charter to levy an admissions tax. The Weldon Cooper tax book reports that only three counties levy an admissions tax (Dinwiddie (4%), New Kent (4%), and Roanoke (5%)).
- [Virginia Code § 58.1-3818\(C\)](#) authorizes Charlotte County, Clarke County, Madison County, Nelson County, and Sussex County to levy a tax on admissions charged for attendance at any spectator event; however, a tax shall not be levied on admissions charged to participants, in order to participate in any event.
- [Virginia Code § 58.1-3818](#) authorizes Fairfax, Arlington, Dinwiddie, Prince George and Brunswick counties to levy a tax on admissions charged for any event.
- [Virginia Code § 58.1-3818.01](#) authorizes Scott County to impose a tax on admissions to any off-track horse wagering facility located in the county in the amount of \$0.25 for each patron admitted.
- [Virginia Code § 58.1-3817](#) establishes six (6) classes of events that can be used to establish admissions taxes.
- Nineteen cities and towns report levying the tax with the amounts ranging from 2 percent to 10 percent. Although enabled to do so, Charlottesville does not levy an admissions tax.
- Recent legislative attempts by counties to extend admissions tax authority:
  - General Assembly 2012 session bill [SB 1262 \(Stuart\)](#) authorized Stafford County to impose an admissions tax for attendance at entertainment venues, beginning July 1, 2014. The authority to impose the tax was set to expire on July 1, 2015, if no entertainment venues existed in Stafford County by that date.
  - General Assembly 2015 session bill [SB 1185 \(Stuart\)](#) would have extended the expiration of the admissions tax in Stafford County from July 1, 2015, to July 1, 2019. The bill was stricken at the request of the patron and did not become law.
- A 2001 Attorney General's Opinion, [Opinion OP 01-106](#), opined that a locality cannot compel a state university to collect and remit an admissions tax finding that it is not expressly authorized by the admissions tax statute and that without express enabling authority a locality cannot "impose a tax or the economic incidence of a tax on the Commonwealth or its agencies and instrumentalities." To date, that authority has not been granted by the General Assembly.
- To levy an admissions tax on UVA events, the County would need both the enabling authority to levy an admissions tax and express authority for it to apply to UVA. Under the Three Party Agreement (formally entered into by the County, the City and the University in 1986), the County has agreed not to seek any tax legislation that would impact the University except by mutual agreement.

## Cigarette Tax

- [Virginia Code § 58.1-3840](#) provides that cities and towns having general taxing powers established by their charters may impose an excise tax on cigarettes with no rate limitation.
- Counties cannot levy such a tax unless specifically enabled. Albemarle County does not have the enabling authority.
- [Virginia Code § 58.1-3831](#) specifically enables Fairfax and Arlington counties to levy a cigarette tax, not to exceed either 5 cents per pack or the state maximum rate, whichever is greater. Both counties currently impose the state maximum 30 cents per pack tax.
- Charlottesville increased its excise tax from 35 cents per pack to 55 cents per pack in 2015.
- Recent legislative attempts by counties to obtain cigarette tax authority:
  - General Assembly 2015 session bill [SB 1414 \(Edwards\)](#) would have added Montgomery and Pulaski counties to the list of counties authorized to impose a local cigarette tax under Virginia Code § 58.1-3831 and would have required the revenue from such tax be used solely for public education. The bill failed in the Senate Finance Committee
  - General Assembly 2015 session bill [SB 784 \(Lucas\)](#) would have authorized *all* localities to impose a cigarette tax with a maximum rate of 5¢ per pack or the amount levied under state law, whichever is greater. The bill was defeated in the Senate Finance Committee
  - General Assembly 2015 session bill [HB 2348 \(Yost\)](#) would have added Montgomery and Pulaski counties to the list of counties authorized to impose a local cigarette tax under Virginia Code § 58.1-3831 and would have required the revenue from such tax be used solely for school maintenance and construction. The bill failed in the House Finance Committee.

## **Meals Tax**

- [Virginia Code § 58.1-3840](#) grants any city or town having general taxing powers established by charter the power to impose an excise tax on meals with no rate limitation.
- [Virginia Code § 58.1-3833](#) authorizes any county to levy a tax on food and beverages by a restaurant at a rate not to exceed 4% of the amount charged for such food and beverages if approved by referendum. (Arlington, Frederick, Montgomery, Roanoke and Rockbridge Counties are exempt from the referendum requirement).
- 46 counties levy a meals tax at the maximum 4% rate.
- 32 cities and 68 towns levy a meals tax over 4%, with 14 cities and towns levying a meals tax between 7.1-8%.

## Transient Occupancy Tax

- [Virginia Code § 58.1-3840](#) grants any city or town having general taxing powers established by charter the power to impose an excise tax on transient room rentals with no rate limitation.
- Counties cannot levy such a tax unless specifically enabled.
- [Virginia Code § 58.1-3819](#) enables any county to levy a transient occupancy tax on hotels, motels, boarding houses, travel campgrounds, and other facilities offering guest rooms rented out for continuous occupancy for fewer than 30 consecutive days at a rate of 2%.
- [Virginia Code § 58.1-3819](#) grants additional authority to 50 counties, including Albemarle, to levy a transient occupancy tax not to exceed 5% with any excess over 2% designated and spent solely for tourism and travel.
- 14 localities have been granted authority to impose additional transient occupancy taxes at varying rates up to 5% with the revenue used for restricted purposes related to tourism. (Arlington; Bath, Fairfax, Franklin, Nelson, Hanover, Henrico, Chesterfield, James City County, York, Rockbridge, and Roanoke County)
- In 2012 the General Assembly authorized Roanoke County [SB 103 \(Edwards\)](#) to levy a transient occupancy tax rate not to exceed 7%. The revenues in excess of 5% must be used solely for advertising the Roanoke metropolitan area as an overnight tourist destination by members of the Roanoke Valley Convention and Visitors Bureau.
- In the 2015 General Assembly a bill [SB 759 \(Lucas\)](#) was introduced to authorize all counties to impose a transient occupancy tax of 5% and to eliminate the requirement that the excess over 2% go to tourism. The bill was amended and adopted to only add the County of Isle of Wight to the list of counties authorized to impose a transient occupancy tax of up to 5%, with any excess over 2% to be designated and spent solely for tourism purposes.