

FAIRFAX COUNTY, VIRGINIA

Taxes: Major State and Local Taxes and Fees, 2011-2012



This report highlights major state and local taxes and fees only. For information on federal taxes for both businesses and individuals, visit www.irs.gov. The first section of this document focuses on tax information for businesses, followed by tax information for individuals. Also included are an overview other taxes and fees; a directory of state and local agencies and neighboring jurisdictions; and a regional tax rate comparison.

Tax Briefs

MAJOR TAX RATES IN FAIRFAX COUNTY INCLUDE:

Corporate Income		6%
Business Personal Property	\$4.57 per \$100 assessed value	
Real Property (residential)	\$1.07 per \$100 assessed value	
Real Property (commercial)	\$1.18 per \$100 assessed value	
Sales and Use	5% (4% state + 1% local)	
Sales and Use (food for home consumption)	2.5% (1.5% state + 1% local)	
Personal Income		5.75% (top rate)
Hotel/motel (Transient Occupancy)		4%*

*The Fairfax County rate applied to the towns of Herndon and Vienna is 2 percent. Herndon levies an additional 6 percent tax for lodging and 2.5 percent tax for meals. Vienna levies an additional 3 percent tax for lodging and meals.

- ▶ The Fairfax County real property tax rate of \$1.07 per \$100 of assessed value has declined 39 percent from the 1976 level of \$1.74.
- ▶ Virginia has not raised its corporate income tax rate since 1972.
- ▶ In Virginia, the standard deduction for a married person filing a separate return is \$3,000 and for a married couple filing jointly, \$6,000.
- ▶ Personal exemptions for taxpayers and dependents are \$930 each.
- ▶ Fairfax County does not tax items that are taxed by the Commonwealth of Virginia. The exception is the sales and use tax, which is levied by both state and local governments in Virginia.
- ▶ Fairfax County and Virginia offer a variety of fast, easy and secure methods for businesses and residents to manage their tax accounts. See *eTax Management*, right, for details.

Notes: Postal addresses do not necessarily match local tax jurisdiction boundaries. If your business or home has an Alexandria, Clifton, Fairfax, Falls Church, Herndon or Vienna postal address, call the Fairfax County Department of Tax Administration at 703-222-8234 to determine where you should pay your taxes.

For a list of real estate tax rates and fees, visit www.fairfaxcounty.gov/dta/realestatetax_taxrates.htm.

eTax Management

VIRGINIA

Businesses

Virginia businesses can manage their tax accounts electronically through VATAX Online for Business, which includes:

- ▶ **iReg for Business** (<https://www.ireg.tax.virginia.gov/VTOL/Login.seam>) allows new businesses to register online for most business taxes with the Virginia Department of Taxation and the Virginia Employment Commission.
- ▶ **iFile for Business** (<https://www.business.tax.virginia.gov/VTOL/Login.seam>) enables business taxpayers to file and pay sales and use, employer withholding, unemployment and estimated corporate income taxes over the Internet. Online payments for selected taxes can be made by electronic funds transfer (EFT).

Taxpayers and tax professionals also can search the Tax Policy Library and download business tax forms through the Virginia Department of Taxation's Web site at www.tax.virginia.gov.

Individuals

Found on the **VATAX Online for Individuals** Web site (<https://www.individual.tax.virginia.gov/VTOL/IndLogin.seam>), **iFile** enables most Virginia residents to file and pay individual income taxes online directly with the Virginia Department of Taxation, file and pay extensions and estimated tax payments, and check the status of their refund. Tax payments may be made by check or credit card. Refunds may be direct-deposited into the taxpayer's checking account. Eligible taxpayers also can file simple tax returns by phone through **QuickPay**. Tax forms and instructions are available on the Virginia Department of Taxation Web site at www.tax.virginia.gov or by phone at 804-440-2541.

FAIRFAX COUNTY

Businesses and Individuals

Most Fairfax County taxes may be paid over the Internet, by phone or at **Automated Information System** kiosks in public libraries, shopping malls and other locations throughout the county. Depending on the type of tax, a taxpayer may pay electronically by credit card (a service charge applies), eCheck (no service charge) or pre-paid installments debited automatically from the taxpayer's bank account. Tax forms and instructions can be downloaded from the Department of Tax Administration's Web site at www.fairfaxcounty.gov/dta/forms.htm.

FAIRFAX COUNTY

ECONOMIC DEVELOPMENT AUTHORITY

Business Taxes

VIRGINIA

Corporate Income Tax

The Virginia corporate income tax rate is 6 percent of taxable corporate income. For most corporations, taxable income is determined by a three-part formula based on sales, payroll and property factors. Sales factors are double-weighted in this formula, which reduces the tax liability for firms with significant sales to customers outside Virginia.

If a corporation engages in multi-state business activities, and its income is taxable by both Virginia and other states, it pays tax only on the portion of its income derived from Virginia sources.

All corporations registered with the Virginia State Corporation Commission must file a corporate income tax return with the Virginia Department of Taxation, with certain exceptions:

- **Nonprofit corporations** that are exempt from federal income tax must file and pay taxes only on non-related business taxable income.
- **Banks, trust companies, credit unions, insurance companies and public service corporations** (other than railroads, telecommunications companies, electric suppliers, pipeline distribution companies, gas utilities and gas suppliers) pay other taxes in lieu of the corporate income tax.
- **S-corporations, partnerships and sole proprietorships** also are exempt from this tax, but should contact the Virginia Department of Taxation to determine other tax and reporting requirements.

Virginia allows a number of credits against the corporate income tax, including:

- Clean-Fuel Vehicle Tax Credit
- Day Care Facility Investment Tax Credit
- Major Business Facility Job Tax Credit
- Neighborhood Assistance Act Tax Credit
- Recycling Equipment Tax Credit
- Worker Retraining Tax Credit

For more information, contact the Virginia Department of Taxation at 804-367-8037 or www.tax.virginia.gov.

Sales and Use Tax

The sales and use tax is levied on retail sales or leases of equipment, furniture and supplies. The state tax rate is 4 percent and the local tax is 1 percent. The combined 5 percent state and local tax is collected at the point of sale.

- The **state sales tax on food purchases for human consumption at home** is 1.5 percent, and the local rate is 1 percent for a combined tax of 2.5 percent.
- Certain purchases are **exempt from sales and use tax**, including:
 - custom computer software
 - items used in research and development
 - non-prescription drugs and proprietary medicines
 - certain advertising materials

- certified pollution control devices
- items purchased for resale by distributors
- items used directly in industrial production, including raw materials
- materials used in the manufacture of semiconductors and semiconductor wafers
- tangible personal property used by nonprofit churches for recording and reproducing services

For more information, contact the Virginia Department of Taxation at 804-367-8037 or www.tax.virginia.gov. Information on this tax is also available from the Fairfax County Department of Tax Administration at 703-222-8234 or www.fairfaxcounty.gov/dta.

Annual Corporate Registration Fee

All corporations authorized to transact business in Virginia must pay an annual registration fee. The fee is \$100 for corporations with 5,000 or fewer shares of authorized capital stock. Corporations with more than 5,000 shares pay \$100 plus \$30 for each additional 5,000 shares (or fractions thereof), up to a maximum fee of \$1,700. Non-stock corporations organized after 1970 pay \$25.

For more information, contact the Virginia State Corporation Commission at 804-371-9967 or www.scc.virginia.gov.

Withholding Tax

If federal law requires an employer to hold tax from any payment, Virginia also requires withholding. If required to file withholding returns, an employer must register for withholding tax, file income tax withholding returns and pay the income tax to the Virginia Department of Taxation. Virginia deems amounts withheld as payment in trust for the employee's tax liability. Employers are responsible for timely payment and filing of their incurred withholding liability. Employers must also file the withholding forms whether or not there is withholding tax owed. Withholding tax payments are due as follows:

Withholding Liability for Month	Due
Less than \$100	Quarterly
\$100.00 – \$999.99	Monthly
\$1,000 or more	Semi-weekly

For more information, contact the Virginia Department of Taxation at 804-367-8037 or www.tax.virginia.gov.

Workers' Compensation Insurance

Employers with three or more employees regularly in service in the same business in Virginia must purchase and maintain workers' compensation insurance with a private insurance carrier, have a certificate of self-insurance issued by the Virginia Workers' Compensation Commission, or be a member of a licensed group self-insurance association. The cost varies by industry, occupation, state and insurance carrier.

For more information, contact the Virginia Workers' Compensation Commission at 877-664-2566 (toll-free in Virginia), 703-207-7152 (Fairfax regional office) or www.vwc.state.va.us.

Unemployment Insurance Tax

Employers must register with the Virginia Employment Commission and pay unemployment insurance tax if they employ one or more persons for 20 or more weeks during a calendar year, or if they pay wages of \$1,500 or more during any calendar quarter.

Only the first \$8,000 of wages earned by each employee during a calendar year is taxed. The employer pays the entire cost.

Each employer's tax rate is computed annually based on the employer's experience rating (which factors in unemployment benefits paid out compared with the employer's taxable payroll over the last four fiscal years) and the condition of the State Unemployment Compensation Trust Fund. The new computed rate takes effect on the following January 1.

For most Virginia businesses, unemployment insurance tax rates range from 0.18 percent to 6.28 percent of the first \$8,000 that each employee earns each year. (The tax rate may be zero if an employer has had no benefit charges filed against its account with the Virginia Employment Commission.) New employers pay 2.58 percent for a full fiscal year. Charges for fund building and pool cost factors also may be assessed.

For more information, contact the Virginia Employment Commission at 703-813-1300 (Alexandria field office) or www.vec.virginia.gov/vecportal/index.cfm.

Miscellaneous Business Taxes

Contact the Virginia Department of Taxation at 804-367-8037 or www.tax.virginia.gov regarding the following taxes: aircraft and watercraft sales and use tax, forest products tax, litter tax, miscellaneous commodities tax, soft drink excise tax and tire tax.

Business Taxes

FAIRFAX COUNTY

Business, Professional and Occupational License (BPOL) Tax

All businesses (including home-based enterprises and self-employed individuals) located or operating in Fairfax County that have annual gross receipts greater than \$10,000 are assessed a Business, Professional and Occupational License (BPOL) tax. Businesses located in the towns of Clifton, Herndon or Vienna, or in the incorporated cities of Fairfax or Falls Church, are not subject to Fairfax County's BPOL tax, but should check business license requirements for those jurisdictions.

New businesses must file a business license application and pay any taxes due within 75 days of the date the business began in Fairfax County. Business license renewal applications must be filed and taxes paid each year by March 1.

BPOL TAX RATES

The BPOL tax is based on gross receipts for the prior calendar year, without deductions. For businesses operating less than two years, the BPOL tax is based on estimated gross receipts.

Businesses with gross receipts of \$100,000 or less must pay a minimum BPOL tax as follows:

Gross Receipts	License/Fee
\$0 – \$10,000	No license or fee required
\$10,001 – \$50,000	\$30 flat fee
\$50,001 – \$100,000	\$50 flat fee

Businesses with gross receipts over \$100,000 are assessed BPOL tax depending on the type of business:

Business	Tax per \$100 Gross Receipts
Aircraft Leasing	\$0.04
Amusement Occupations	\$0.26
Builders and Developers	\$0.05
Business, Personal and Repair Services	\$0.19
Consultants	\$0.31
Contractors	\$0.11
Hotels and Motels	\$0.26
Money Lenders	\$0.19
Professional and Specialized Services	\$0.31
Real Estate Brokers	\$0.31
Renting by Owners (residential or commercial)	\$0.26
Research & Development (R&D):	
Federal R&D prime contractors	\$0.03
Other R&D business	\$0.31
Retail Merchants	\$0.17
Telephone and Power Companies	\$0.24
Wholesale Merchants*	\$0.04

*Based on gross purchases of items purchased for resale

BPOL EXCLUSIONS AND ADJUSTMENTS

Generally, the amount of gross receipts cannot be reduced by any costs, interests, discounts or expenses. Fairfax County does allow certain specific exclusions and adjustments, including the following:

- Businesses may exclude **gross receipts attributable to taxable business activity in another** Virginia jurisdiction, state or foreign country.
- **Software development companies** may exclude receipts from the sale, leasing or licensing of computer software that is designed, developed or created from a definite place of business in Fairfax County.
- **Government computer hardware/software sellers**—The original cost (not resale price) of computer hardware or software sold under contract to a state or federal government entity in the United States may be deducted from gross receipts within two years of purchase.
- **Nonprofits**—Except for unrelated business income, the income of charitable nonprofit (501(c)) organizations may be excluded from gross receipts. Membership dues received by nonprofits also are excluded.
- **Receipts of venture capital and other investment funds** (except commissions and fees) are excluded from gross receipts.

For more information, contact the Fairfax County Department of Tax Administration at 703-222-8234 or www.fairfaxcounty.gov/dta.

Sales and Use Tax

The 1 percent local sales and use tax is collected along with the 4 percent state tax at the point of sale. See page 2 for details on the combined state and local tax.

Real Property Tax

Real property in Fairfax County is assessed at 100 percent of its estimated fair market value as of January 1 of each year. The real property tax rate for the 2011 tax year is \$1.07 per \$100 of assessed value for residential property. Commercial property is taxed at the rate of \$1.18 per \$100 of assessed value.

To fund town services, the towns of Vienna and Herndon levy an additional real property tax of \$0.23 and \$0.27 per \$100 of assessed value, respectively. Commercial and industrial property owners in the Route 28 Transportation Tax District pay an additional \$0.18 per \$100 of assessed value for planned highway improvements. Commercial property owners in the Dulles Rail Phase I Transportation Improvement District pay an extra \$0.22 per \$100 of assessed value toward construction of the new Silver Line Metrorail extension between the West Falls Church Metro station and Wiehle Avenue in Reston. Commercial property owners in the Dulles Rail Phase II Transportation Improvement District from Wiehle Avenue in Reston to Washington Dulles International Airport pay an extra \$0.10 per \$100 of assessed value for the new Metro line.

Other special taxing districts have been established to support specific services and facilities in the county. To determine if an address is in a special tax district and to calculate the additional levy, contact the Fairfax County Department of Tax Administration at 703-222-8234 or www.fairfaxcounty.gov/dta/realestatetax_specialtaxdis.htm.

➤ **Fairfax County grants a partial tax abatement to property owners who renovate, rehabilitate or replace qualified commercial and industrial properties** (within county-designated revitalization districts only) and multifamily properties (throughout the county). For program details, go to www.fairfaxcounty.gov/dta/realestatetax_abatementprogram.htm.

➤ Detailed real estate and property information—including assessed commercial values—may be accessed at <http://icare.fairfaxcounty.gov>.

For more information, contact the Fairfax County Department of Tax Administration at 703-222-8234 or www.fairfaxcounty.gov/dta.

Business Personal Property Tax

All businesses in Fairfax County must pay personal property taxes on tangible business personal property (such as computers, furniture and machinery) and company-owned motor vehicles. There is no tax on inventory.

All personal property (except motor vehicles that already have been reported) must be registered with the Fairfax County Department of Tax Administration by May 1. This includes property that has been fully depreciated or expensed for state and federal tax accounting purposes.

The personal property tax bill is due on October 5 each year.

TANGIBLE BUSINESS PERSONAL PROPERTY

Tangible business personal property includes desks, chairs, other furniture, fixtures, computer equipment, tools and machinery. The tax rate is \$4.57 per \$100 of assessed value. The tax is not prorated.

Corporate headquarters operations located in Fairfax County may be exempt from tangible personal property tax. For details, contact the Fairfax County Department of Tax Administration at 703-222-8234 or www.fairfaxcounty.gov/dta/business_personalproperty.htm.

Assessed values are based on the original purchase cost, age and type of item.

- Most business personal property is assessed at 80 percent of the purchase cost for the first year and declines by 10 percent each year thereafter until it reaches a minimum value of 20 percent the sixth year and thereafter.
- Computer equipment depreciates at a faster rate. It is assessed at 50 percent of the original cost the first year, 35 percent the second year, 20 percent the third year, 10 percent the fourth year and 2 percent the fifth year and each year thereafter.

Important Information for Businesses About the Personal Property Tax Relief Act

The *Personal Property Tax Relief Act of 1998 (PPTRA)* provides tax relief for any passenger car, motorcycle, or pickup or panel truck with a registered gross weight of less than 7,501 pounds that is owned or leased by an individual for personal use. **Relief does not apply to motor vehicles used for business purposes. The PPTRA does not eliminate the personal property tax.**

Each time owners apply for and renew their vehicle registration, they must certify that the vehicle is for either personal or business use.

A vehicle is considered to be used for business purposes and does not qualify for tax relief if any of the following apply:

- More than 50 percent of the mileage for the year is used as a business expense for federal income tax purposes or is reimbursed by an employer.
- More than 50 percent of the depreciation associated with the vehicle is deducted as a business expense for federal income tax purposes.
- The cost of the vehicle is expensed pursuant to Section 179 of the Internal Revenue Service Code.
- The vehicle is leased by an individual and the leasing company pays the tax without reimbursement from the individual.

COMPANY-OWNED MOTOR VEHICLES

The business personal property tax rate on motor vehicles is \$4.57 per \$100 of assessed value. Motor vehicle assessments are calculated as follows:

- Automobiles, trucks and vans are assessed on the average trade-in value as listed in the National Automobile Dealers Association (NADA) Used Car Guide, published in January of the current tax year. The tax is prorated for the portion of the year a vehicle is located in Fairfax County.
- RVs, motorcycles, trailers, airplanes and boats are assessed at 60 percent of the original cost the first year, 50 percent the second year, 40 percent the third year, 30 percent the fourth year and 20 percent for the fifth and succeeding years. The tax is not prorated on these vehicles.

Certain categories of vehicles are taxed at a different rate or are exempt from the personal property tax altogether. These include:

- Airplanes, flight simulators, boats, antique automobiles, certified van pool and handicapped-equipped vehicles, and some other types of vehicles are taxed at \$0.01 per \$100 assessed value.
- Vehicles owned by the Commonwealth of Virginia, any of its political subdivisions or the U.S. government are exempt from personal property tax.

Vehicles must be reported to the Fairfax County Department of Tax Administration within 60 days of the date the vehicle was purchased or moved into the county by filing a personal property declaration. Leased vehicles are subject to personal property tax.

For more information on the business personal property tax, contact the Fairfax County Department of Tax Administration at 703-222-8234 or www.fairfaxcounty.gov/dta.

See page 6 for other taxes and fees associated with owning and operating a motor vehicle in the Commonwealth of Virginia.

Individual Taxes

VIRGINIA

Individual Income Tax

The Virginia individual income tax rate is 2 percent on the first \$3,000 of taxable income, 3 percent on the next \$2,000, 5 percent on the next \$12,000 and 5.75 percent on income above \$17,000. Generally, an employer who pays wages to one or more employees must deduct and withhold state income tax from those wages.

Virginia's taxable personal income is based on an individual's federal adjusted gross income, increased or decreased by Virginia additions, subtractions, deductions or credits. The personal exemption is \$930 and may be claimed for the taxpayer, for the spouse (if married and filing jointly) and for each dependent.

Taxpayers using the standard deductions on their federal return must use them for their state return. The standard deduction in Virginia is \$3,000 for a single person, \$3,000 for a married person filing a separate return and \$6,000 for a married couple filing jointly. Taxpayers using itemized deductions on their federal return must use them for their state return. Virginia allows most of the itemized deductions allowed by the federal government.

A number of income tax credits are available to individuals. Specific terms, conditions and limitations for each tax credit are in Virginia Department of Taxation forms and instructions.

For more information, contact the Virginia Department of Taxation at 804-367-8037 or www.tax.virginia.gov.

Individual Taxes

FAIRFAX COUNTY

Personal Property Tax

The personal property tax is levied on automobiles, trucks, motor homes, motorcycles, trailers, campers, boats, outboard motors and airplanes. The current personal property tax rate is \$4.57 per \$100 of assessed value. Payment is due by October 5 of the year; for vehicles bought or located in Fairfax County on or after July 1, payment is due February 15 of the following year.

Certain categories of vehicles are taxed at a different rate, or are exempt from the personal property tax altogether. These include:

- Airplanes, flight simulators, boats, antique automobiles, certified van pool and handicapped-equipped vehicles and some other types of vehicles are taxed at \$0.01 per \$100 assessed value.
- Mobile homes used as residences are taxed at the real property rate of \$1.07 per \$100 of assessed value.
- Vehicles owned by the Commonwealth of Virginia, any of its political subdivisions or the U.S. government are exempt from the personal property tax.
- Vehicles owned and used by diplomats and active-duty military personnel are exempt from personal property tax.

REPORTING

Vehicles must be reported to the Fairfax County Department of Tax Administration within 60 days of the date the vehicle was purchased or moved into the county by filing a personal property declaration. Leased vehicles are subject to personal property tax.

Important Information for Individuals About the Personal Property Tax Relief Act

The personal property tax has been reduced for certain personal use (not business use) vehicles in Virginia under the Personal Property Tax Relief Act of 1998. The act does not eliminate the personal property tax. The reduction is not automatic and is subject to the availability of funds at the state level. The taxpayer must pay all taxes on any vehicle assessment that exceeds \$20,000 as of January 1 of the year. If a qualified vehicle's assessed value is \$1,000 or less, the tax is eliminated.

To qualify for car tax relief, a vehicle must be owned or leased by an individual and be used less than 50 percent of the time for business purposes. See the shaded box on page 5 for business use criteria. Vehicle owners must certify that their vehicle is for either personal or business use when they apply for or renew a vehicle registration with the Department of Motor Vehicles. Vehicle owners also are required to annually certify to the county that their vehicle remains qualified to receive car tax relief when they pay their personal property tax.

Fairfax County vehicle owners are not required to display a county decal; however, vehicle owners in the towns of Clifton, Herndon and Vienna must buy and display town decals.

Residents with Alexandria, Clifton, Fairfax, Falls Church, Herndon or Vienna postal addresses should contact the Fairfax County Department of Tax Administration to determine where their vehicles should be registered.

For more information, contact the Fairfax County Department of Tax Administration at 703-222-8234 or www.fairfaxcounty.gov/dta.

Real Property Tax

Real property in Fairfax County is assessed at 100 percent of its estimated fair market value as of January 1 of each year. The residential real property tax rate for the 2011 tax year is \$1.07 per \$100 of assessed value. To fund town services, the towns of Vienna and Herndon levy an additional real property tax of \$0.23 and \$0.27 per \$100 of assessed value, respectively. Residents of Vienna and Herndon should contact the town government offices to determine other taxes or tax exemptions that may apply. Other special taxing districts have been established to support specific services and facilities in the county. To determine if an address is in a special tax district and to calculate the additional levy, contact the Fairfax County Department of Tax Administration at 703-222-8234 or www.fairfaxcounty.gov/dta/special_district.htm.

- Detailed real estate and property information—including assessed values—is available at <http://icare.fairfaxcounty.gov>.
- Fairfax County provides real estate tax relief to citizens who are 65 or older or who have permanent and total disabilities.

For more information, contact the Fairfax County Department of Tax Administration at 703-222-8234 or www.fairfaxcounty.gov/dta; the town of Herndon at 703-435-6813 or www.herndon-va.gov; or the town of Vienna at 703-255-6325 or www.viennava.gov.

Other Taxes and Fees

VIRGINIA

Alcohol Tax

State alcohol excise taxes are paid by the wholesaler and included in the retail price. Distilled spirits retail prices include a 20 percent state tax. There is also a 4 percent tax on wine sold in Alcohol Beverage Control (state) stores. Wine retail prices include a \$0.40 per liter wine tax. An additional 5 percent sales tax is added to the retail price at the register. For more information, contact the Virginia Department of Alcoholic Beverage Control at 703-313-4432 or www.abc.virginia.gov.

Cigarette Tax

Virginia and Fairfax County each levy a tax of \$0.30 per pack on cigarettes sold in Fairfax County, for a combined tax of \$0.60 per pack. For more information, contact the Northern Virginia Cigarette Tax Board at 703-802-0373 or <http://nvtb.net>.

Communication Sales and Use Tax

A 5 percent consumer sales tax is imposed by service providers on the charge for or sale of land line and wireless telephone service. The Commonwealth also levies a statewide E-911 tax of \$0.75 per telephone land line. For more information, contact the Virginia Department of Taxation at 804-367-8037 or www.tax.virginia.gov/site.cfm?alias=TaxFacts.

Utility Consumption Tax

A state consumption tax is levied on kWh (kilowatt hour) usage of electricity and CCF (100 cubic feet) usage of natural gas. The tax appears as a separate entry on monthly electric and gas bills. The tax rates are:

- **Electric**—\$0.00155 per kWh on the first 2,500 kWh consumed; \$0.00099 per kWh on the next 47,500 kWh; and \$0.00075 per kWh for electricity consumption above 50,000 kWh per month.
- **Gas**—\$0.0195 per CCF of natural gas consumed, up to 500 CCF per month.

For more information, contact the Division of Public Service Taxation, Virginia State Corporation Commission, at 804-371-9480 or 800-552-7945 (toll-free in Virginia) or www.scc.virginia.gov.

Motor Fuels Taxes

To help build and maintain state roads and highways, Virginia levies a gasoline tax of \$0.175 per gallon plus a \$0.006 per gallon tank storage fee. The diesel fuel tax is \$0.175 per gallon. Fuel bought and used in recreational boats or ships or in commercial watercraft is eligible for a full or partial refund of the motor fuel tax. For more information, contact the Virginia Department of Motor Vehicles toll-free at 866-DMVLINE (368-5463) or www.dmv.virginia.gov.

To help fund public transit, an additional 2.1 percent motor vehicle fuel sales tax is levied in Fairfax County and all other localities within the Northern Virginia Transportation District. For more information, contact the Northern Virginia Transportation Commission at 703-524-3322 or www.thinkoutsidethecar.org.

Motor Vehicles

MOTOR VEHICLE SALES TAX AND TITLE FEE

The motor vehicle sales tax applies whenever a vehicle is sold and/or its ownership changes. The tax is 3 percent of purchase price or \$35, whichever is greater, and is collected when the vehicle is titled. The title fee is \$10; replacement titles (without changes) are \$5.

For more information on Virginia motor vehicle-related fees and requirements, contact the Virginia Department of Motor Vehicles toll-free at 866-DMVLINE (866-368-5463) or www.dmv.virginia.gov/webdoc/citizen/fees.asp.

REGISTRATION

Vehicles may be registered for one or two years at any Virginia Department of Motor Vehicles full-service customer service center. Registration can be renewed by mail, fax, telephone, online or at any customer service center.

The annual registration fee is \$40.75 for passenger cars and taxicabs up to 4,000 pounds; \$45.75 for passenger cars and taxicabs over 4,000 pounds; \$51.75 for pickup trucks from 6,501 to 7,500 pounds; and \$28.75 for motorcycles. (The annual registration fee includes a \$2 emissions program fee for vehicles garaged in Fairfax County.) Two-year registration (for twice the annual fee) is available for insured vehicles weighing less than 55,000 pounds.

Before a vehicle may be registered in the Commonwealth of Virginia, several requirements must be met:

- **With certain exceptions, the motor vehicle must pass an emissions inspection.** For more information, including fees and the location of qualified emissions inspection stations, contact the Department of Environmental Quality at 703-583-3900 or 800-592-5482 or www.deq.virginia.gov.
- **The motor vehicle must display a current Virginia vehicle safety inspection sticker.** For more information, including fees and the location of qualified safety inspection stations, contact the Virginia State Police at 703-803-2622 or www.vsp.state.va.us/Safety.shtm.
- **Motorists must certify that they have liability insurance at the time of registration.** Virginia charges a \$500 annual fee to uninsured motorists. This fee does not provide insurance coverage. For more information, contact the Virginia Department of Motor Vehicles toll-free at 866-DMVLINE (866-368-5463) or www.dmv.virginia.gov.

Other Taxes and Fees

FAIRFAX COUNTY

Transient Occupancy Tax

Hotels and motels collect a 4 percent tax on room or space rentals. The Fairfax County rate applied to the towns of Vienna and Herndon is 2 percent. In addition, Herndon charges a 6 percent hotel/motel tax and a 2.5 percent meals tax. Vienna collects a 3 percent meals and lodging tax in addition to the transient occupancy tax.

For more information, contact the Fairfax County Department of Tax Administration at 703-222-8234 or www.fairfaxcounty.gov/dta.

Consumer Utility Taxes

Fairfax County levies a tax on electric and natural gas.

ELECTRIC (MEASURED IN KILOWATT HOURS, KWH)

- **Commercial**—Based on consumption (\$0.00594 per kWh), the minimum tax is \$1.15 per bill, up to a maximum tax of \$1,000 per bill.
- **Industrial**—Based on consumption (\$0.00707 per kWh), the minimum tax is \$1.15 per bill, up to a maximum of \$1,000 per bill.
- **Residential**—Based on consumption (\$0.00605 per kWh), the minimum tax is \$0.56 per bill, up to a maximum tax of \$4 per bill.
- **Master-metered apartments**—Based on consumption (\$0.00323 per kWh), the minimum tax is \$0.56 per dwelling unit, up to a maximum tax of \$4 per dwelling unit.

NATURAL GAS (MEASURED IN 100 CUBIC FEET, CCF)

- **Nonresidential**—Based on consumption (\$0.04794 per CCF), the minimum tax is \$0.845 per bill, up to a maximum tax of \$300 per bill.
- **Nonresidential interruptible**—Based on consumption (\$0.00563 per CCF), the minimum tax is \$4.50 per meter, up to a maximum of \$300 per meter.

- **Residential**—Based on consumption (\$0.05259 per CCF), the minimum tax is \$0.56 per bill, up to a maximum tax of \$4 per bill.
- **Master-metered apartments**—Based on consumption (\$0.01192 per CCF), the minimum tax is \$0.56 per dwelling unit, up to a maximum tax of \$4 per dwelling unit.

Sewer and Water Service Rates

The sewer service charge is \$6.01 per 1,000 gallons of water used each quarter. All properties connecting to Fairfax County's sanitary sewer system pay a one-time sewer availability charge of \$7,750 (\$6,200 for townhouses and apartments, \$1,938 for hotels and motels and \$401 per fixture unit for nonresidential customers). For more information, contact the Fairfax County Office of Waste Management at 703-324-5033 or www.fairfaxcounty.gov/dpwes.

Water service is billed quarterly at a rate of \$2.04 per 1,000 gallons of water consumed for established customers and \$2.19 per 1,000 gallons for new customers. An additional peak use charge of \$2.95 per 1,000 gallons may be assessed during June through November. The water service availability charge is \$3,600 per single-family residence, townhome and multi-family unit. Nonresidential water connection charges depend on metered capacity. For more information, contact Fairfax Water at 703-698-5600 or www.fairfaxwater.org/rates/.

Directory

STATE AGENCIES

Virginia Department of Alcoholic Beverage Control

Northern Virginia Regional Office
6308 Grovedale Drive, Alexandria, VA 22310
703-313-4432 / www.abc.virginia.gov

Virginia Department of Motor Vehicles

P.O. Box 27412, Richmond, VA 23269
866-DMVLINE (866-368-5463) / www.dmv.virginia.gov

Fair Oaks Mall

11805-L Fair Oaks Mall, Fairfax, VA 22033

Fairfax/Westfields

14950 Northridge Drive, Chantilly, VA 20151

Franconia

6306 Grovedale Drive, Alexandria, VA 22310

Lorton

7714 Gunston Plaza, Lorton, VA 22079

Tysons Corner

1968 Gallows Road, Vienna, VA 22182

Virginia Department of Taxation

3610 West Broad Street, Richmond, VA 23230
804-367-8037 (businesses) or 804-367-8031 (individuals)
www.tax.virginia.gov

Virginia Employment Commission (VEC)

703 East Main Street, Richmond, VA 23219
804-786-1485 / www.vec.virginia.gov

Alexandria VEC Field Office

5520 Cherokee Avenue, Alexandria, VA 22312
703-813-1300

Virginia State Corporation Commission

1300 East Main Street, Richmond, VA 23219
804-371-9967 or 800-552-7945 (toll-free in Virginia)
www.scc.virginia.gov

Virginia Workers' Compensation Commission

1000 DMV Drive, Richmond, VA 23220
804-367-8699 / www.vwc.state.va.us

Fairfax Regional Office

Prosperity Plaza
3020 Hamaker Court, Suite 100, Fairfax, VA 22031
703-207-7152

LOCAL AGENCIES

Fairfax County Department of Public Works and

Environmental Services, Office of Solid Waste Management
12000 Government Center Parkway, Suite 458
Fairfax, VA 22035
703-324-5230
www.fairfaxcounty.gov/dpwes/trash/recyclingtrash.htm

Fairfax County Department of Tax Administration

12000 Government Center Parkway, Suite 357
Fairfax, VA 22035
703-222-8234 / www.fairfaxcounty.gov/dta

Fairfax County Water Authority

8570 Executive Park Avenue, Fairfax, VA 22031
703-698-5600 / www.fcwa.org

Northern Virginia Cigarette Tax Board

4400 Fair Lakes Court, Suite 103, Fairfax, VA 22033
703-802-0373 / www.nvctb.net

Northern Virginia Transportation Commission

2300 Wilson Boulevard, Suite 620
Arlington, VA 22201
703-524-3322 / www.thinkoutsidethecar.org

Town of Clifton

12641 Chapel Road, Clifton, VA 20124
703-543-8928 / www.cliftonva.us

Town of Herndon

777 Lynn Street, Herndon, VA 20170
703-435-6800 / www.herndon-va.gov

Town of Vienna

127 Center Street South, Vienna, VA 22180
703-255-6300 / www.viennava.gov

NEIGHBORING JURISDICTIONS

City of Alexandria

Alexandria City Hall, 301 King Street, Alexandria, VA 22314
703-838-4000 / www.alexandriava.gov

Arlington County

2100 Clarendon Boulevard, Arlington, VA 22201
703-228-3000 / www.arlingtonva.us

City of Fairfax

10455 Armstrong Street, Fairfax, VA 22030
703-385-7855 / www.fairfaxva.gov

City of Falls Church

300 Park Avenue, Falls Church, VA 22046
703-248-5001 / www.fallschurchva.gov

District of Columbia

The John A. Wilson Building, 1350 Pennsylvania Avenue NW,
Suite 316, Washington, D.C. 20004
202-727-2980 / www.dc.gov

Loudoun County

1 Harrison Street, S.E., Leesburg, VA 20175
703-777-0100 / www.loudoun.gov

Montgomery County, Maryland

Executive Office Building, 101 Monroe Street, 2nd Floor
Rockville, MD 20850
240-777-2500 / www.montgomerycountymd.gov

Prince George's County, Maryland

County Administration Building
14741 Governor Oden Bowie Drive, Upper Marlboro, MD 20772
301-350-9700 / www.princegeorgescountymd.gov

Prince William County

1 County Complex Court, Prince William, VA 22192
703-792-6000 / www.pwcgov.org

Regional Tax Rate Comparison

SELECTED NORTHERN VIRGINIA JURISDICTION BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE (BPOL) TAX RATES (2012)

Tax Per \$100 Gross Receipts

	Fairfax County	City of Alexandria	Arlington County	Fairfax City	City of Falls Church	Loudoun County	Prince William County
Builders and Developers	\$0.05	\$0.16	\$0.16	\$0.16	\$0.16	\$0.13	\$0.13
Business Services	\$0.19	\$0.35	\$0.35	\$0.27	\$0.36	\$0.17	\$0.21
Contractors	\$0.11	\$0.16	\$0.16	\$0.16	\$0.16	\$0.13	\$0.13
Professional Services	\$0.31	\$0.58	\$0.36	\$0.40	\$0.52	\$0.33	\$0.33
Real Estate Brokers	\$0.31	\$0.58	\$0.36	\$0.40	\$0.52	\$0.33	\$0.33
Retail Merchants	\$0.17	\$0.20	\$0.20	\$0.20	\$0.19	\$0.17	\$0.17
Wholesale Merchants	\$0.04	\$0.05	\$0.08	\$0.05	\$0.08	\$0.05	\$0.05

Note: Businesses, professions, trades and occupations in many Virginia jurisdictions are assessed a license based on gross receipts for the prior year, without deductions. Maryland and the District of Columbia do not levy a gross receipts tax.

Sources: Fairfax County Department of Tax Administration, Arlington County Commissioner of Revenue, Loudoun County, Prince William County Finance Department, City of Alexandria Department of Finance, City of Falls Church and City of Fairfax

SELECTED METROPOLITAN WASHINGTON, D.C., AREA TAX RATES

	Residential Real Property ¹ (per \$100 assessed value)	Commercial Real Property ¹ (per \$100 assessed value)	Business Tangible Personal Property ² (per \$100 assessed value)	Corporate Income Tax ³	Personal Income Tax ⁴	Sales and Use Tax ⁵
Virginia						
Fairfax County	\$1.070	\$1.180	\$4.570	6.00%	5.75%	5.00%
Arlington County	\$0.958	\$0.958	\$5.000	6.00%	5.75%	5.00%
Loudoun County	\$1.285	\$1.285	\$4.200	6.00%	5.75%	5.00%
Prince William County	\$1.204	\$1.204	\$3.700	6.00%	5.75%	5.00%
City of Alexandria	\$0.998	\$0.998	\$4.750	6.00%	5.75%	5.00%
City of Fairfax	\$0.999	\$0.999	\$4.130	6.00%	5.75%	5.00%
City of Falls Church	\$1.270	\$1.270	\$4.840	6.00%	5.75%	5.00%
District of Columbia	\$0.850	\$1.850	\$3.400	9.98%	8.90%	6.00%
Maryland						
Montgomery County	\$0.946	\$0.946	\$1.747	8.25%	9.45%	6.00%
Prince George's County	\$1.072	\$1.072	\$2.400	8.25%	9.45%	6.00%

Note: The above are basic rates only. For an calculation of the actual tax liability of any business, a tax professional should be consulted.

¹ Taxes are countywide base rates that include state property taxes for Maryland and the District of Columbia. Additional layers of taxes may be levied based on location and type of property. These include but are not limited to taxes by, on or for towns, cities and municipalities, commercial property, public services and infrastructure. These layers may have the potential to more than double the tax liability based on the county and location within a county.

² Tangible personal property tax rates are maximum rates. Individual jurisdictions may have lower rates, or exempt some property from these taxes.

³ Corporate income tax is calculated differently in each state and the figures reflect the maximum rate applied to the highest income level.

⁴ Personal income tax rates shown are the maximum rate applied to the highest income level.

⁵ Sales and use taxes are the standard rates applied to most final purchases of goods and selected services. The Commonwealth of Virginia has a 4 percent sales and use tax rate and the selected counties apply a 1 percent option tax. Maryland does not have a local option tax.

Sources: Virginia State Corporation Commission, Virginia Department of Taxation, District of Columbia Office of the Chief Financial Officer, Maryland Department of Business and Economic Development, Fairfax County Fiscal Year 2012 Budget, Fairfax County Department of Tax Administration, Arlington County Fiscal Year 2012 Budget, Arlington County Commissioner of Revenue, Loudoun County, Prince William County Finance Department, City of Alexandria Department of Finance, City of Falls Church, City of Fairfax, Montgomery County Department of Finance, and Prince George's County Office of Finance

