

**CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA**



|                  |                                                                          |
|------------------|--------------------------------------------------------------------------|
| Agenda Date:     | January 6, 2025                                                          |
| Action Required: | Approval of Refund of Business License Tax                               |
| Presenter:       | Todd Divers, Commissioner of the Revenue                                 |
| Staff Contacts:  | Jason Vandever, City Treasurer<br>Robinson Hubbard, Deputy City Attorney |
| Title:           | <b>Refund of Business License Tax - \$10,679.96</b>                      |

**Background**

In March of 2023, a Charlottesville business closed its City location and moved to another jurisdiction in Virginia without notifying this office of its closure. Upon the failure of the business to renew its business license for 2024 (due on March 1, 2024), this office issued a statutory business license tax assessment based on the best available information, in accordance with Sec. 14-14 of the Charlottesville City Code. The assessment was subsequently paid on October 21, 2024.

On November 8, 2024, our office received notification that the business had moved to another jurisdiction in March of the prior year, necessitating a correction of assessment and refund of the taxes paid in error, with interest, in accordance with Sec. 14-12 of the Charlottesville City Code and § 58.1-3703.1 of the Code of Virginia.

**Discussion**

The amount of tax paid in error is \$10,679.96. It is the determination of the Commissioner of the Revenue that this amount, along with interest (as determined by the date of the refund - approximately \$150), should be refunded to the taxpayer.

City Code requires Council approval for any tax refunds resulting from an erroneous assessment in excess of \$10,000 (City Code Sec. 30-6b).

Per City Code Sec. 30-6(b), the Commissioner of the Revenue has provided to the City Attorney information necessary to enable him to consent to the determination of the Commissioner of the Revenue that the tax paid by the taxpayer was erroneous and should therefore be refunded with interest. The City Attorney, Commissioner of the Revenue, and City Treasurer have therefore approved the refund for presentment to Council.

**Alignment with City Council's Vision and Strategic Plan**

NA

## **Community Engagement**

NA

## **Budgetary Impact**

The refund will reduce current year Business License Tax revenue (GL 400150) by \$10,679.96 and current year Interest revenue (GL 400120) by approximately \$150.

## **Recommendation**

Approval of the tax refund.

Suggested Motion: *“I move the RESOLUTION authorizing a refund of \$10,679.96 plus interest to a taxpaying entity or business, for business license tax paid in error for 2024.”*

## **Alternatives**

None

## **Attachments**

1. Refund Resolution