

# Policy Briefing Summary

## City Council



---

<b>Regarding:</b>	<b>Approval of Resolution Authorizing the Refund of Business License Tax and Business Tangible Personal Property Tax</b>
<b>Staff Contact(s):</b>	Jason Vandever, City Treasurer, John Hunt, Chief Deputy City Attorney
<b>Presenter:</b>	<b>Todd Divers, Commissioner of the Revenue</b>
<b>Date of Proposed Action:</b>	August 18, 2025

---

### Issue

Attached is a Resolution for the City Council of the City of Charlottesville, Virginia's ("City Council"), consideration to refund taxes paid in error by a City business.

### Background / Rule

A business formerly situated in the City of Charlottesville, Virginia ("City"), ceased operations in the City on December 31, 2022, without notifying the City's Commissioner of the Revenue's ("COR") Office of its closure. The same business last filed and paid business license tax in tax year 2020 but continued to pay business tangible personal property tax through tax year 2024, necessitating the COR, in accordance with Sec. 14-14 of the Charlottesville City Code ("City Code"), to issue statutory business license tax assessments based on the best available information for tax years 2021, 2022, 2023, 2024, and 2025. These assessments were subsequently paid via bank lien on July 24, 2025.

After receiving the lien notification, the taxpayer provided the COR with notification and satisfactory evidence that it had ceased operations in the City at the end of 2022; thereby, requiring an exoneration and refund of the business license taxes paid in error, with interest (if any) in accordance with City Code Sec. 14-12 and § 58.1-3703.1 of the Code of Virginia, 1950, as amended.

Since the business continued to pay business tangible personal property tax through tax year 2024, those payments must also be refunded. However, State and local City Code do not require the payment of interest on these refund amounts.

### Analysis

The total amount of tax paid in error is \$30,642.52. Business license tax paid in error amounts to \$30,143.65, and business tangible personal property tax paid in error amounts to \$480.87. It is the COR's determination that this amount should be refunded to the taxpayer. City Code Sec. 30-6(b) requires City Council approval for any tax refunds resulting from an erroneous assessment in excess of \$10,000.

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

### Financial Impact

The refund will reduce the current year's Business License Tax revenue (GL 410150) by \$30,642.52, plus an as yet to be determined amount of interest. The refund will reduce the current year's Business Tangible Personal Property Tax revenue (GL 400105) by \$480.87.

**Recommendation**

City Staff recommend City Council adopt the attached Resolution approving the above-described tax refund.

**Recommended Motion (if Applicable)**

*"I move to adopt the attached Resolution authorizing a refund of \$30,642.52 to a taxpaying entity or business, for business license tax and business tangible personal property tax paid in error for 2023, 2024, and 2025."*

**Attachments**

1. taxrefundresolution2025