

Policy Briefing Summary

City Council



Regarding:	Refund of Business Tangible Personal Property Tax and Business License Tax Approval
Staff Contact(s):	John Hunt, Chief Deputy City Attorney, Jason Vandever, City Treasurer
Presenter:	Todd Divers, Commissioner of the Revenue
Date of Proposed Action:	October 5, 2026

Issue

For the Council of the City of Charlottesville, Virginia's ("City Council"), review and consideration, attached is a Resolution authorizing the refund of taxes paid in error by a City of Charlottesville, Virginia ("City"), business.

Background / Rule

A business ("Taxpayer") that was formerly located in City filed for and paid business license tax in City for tax year 2025, moved out of the City to a location in Albemarle County, Virginia ("County"), during 2025, and subsequently erroneously filed for and paid business license tax in City for tax year 2026. Taxpayer also incorrectly reported and paid business tangible personal property tax to City on business assets for tax year 2026.

In accordance with Sec. 14-12 of the Charlottesville City Code ("City Code") and Virginia Code § 58.1-3703.1, a refund is due, with interest, to Taxpayer for business license taxes paid in error for the tax years 2025 and 2026.

Additionally, in accordance with City Code Sec. 30-6 and Virginia Code § 58.1-3980 *et seq.*, a refund is due to Taxpayer for business tangible personal property taxes paid in error for tax year 2026. No interest is due on the refund of business tangible personal property tax paid in error.

Analysis

The total amount of tax paid in error is \$13,929.94; said amount is arrived at as follows:

Business License Tax:

2026 - \$7,498.97

2025 - \$4,607.13

Business Tangible Personal Property Tax:

2026 - \$1,823.84

It is the Commissioner of the Revenue's ("COR") determination that this amount should be refunded to 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), COR has provided the City Attorney ("CA") information necessary to enable him to consent to the COR's determination that the tax paid by Taxpayer was erroneous and should therefore be refunded. The CA, COR, and the City Treasurer ("CT") have therefore approved the refund for presentment to City Council.

Financial Impact

The refund will reduce current year Business License Tax revenue (GL 410150) by \$12,106.10, plus a yet to be determined amount of interest.

The refund will reduce current year Business Tangible Personal Property Tax revenue (GL 400105) by \$1,823.84.

Recommendation

The COR, CT, and the CA 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 \$13,929.94 to a taxpaying entity or business for business license tax and business tangible personal property tax paid in error for 2025 and 2026."

Attachments

1. Refund Resolution