#O-26-___

AN ORDINANCE AMENDING AND RE-ORDAINING CHAPTER 14 (LICENSES), SECTION 14-24 (TAX INCENTIVES FOR TECHNOLOGY BUSINESSES) TO EXTEND ELIGIBILITY PERIOD FOR FIVE YEARS TO DECEMBER 31, 2031

BE IT ORDAINED by the Council of the City of Charlottesville, Virginia that Section 14-24 of Chapter 14 of the Charlottesville City Code, 1990, as amended, is hereby amended and reordained, as follows:

Sec. 14-24. - Tax incentives for technology businesses.

(a) A "qualified technology business" is a business which meets each of the following criteria:

(1) The business must constitute a "technology business," as that term is defined within chapter 2, article XIV of this Code;

(2) The business must not be operating under a certificate of public convenience issued by the Virginia State Corporation Commission;

(3) The business must not be engaged in the provision of a "utility service" as that term is defined within section 30-221 of this Code;

(4) The business must certify that it expects to be engaged in a technology business throughout the tax year for which a reduction is sought (or, for new technology businesses which had not commenced doing business as of January 1 of the tax year for which application is made, for the balance of the tax year); and

(5) The business must have submitted an application for qualification to the commissioner of revenue, on or before March 1st of the tax year for which a reduction of taxes is sought under this section. A separate application shall be required for each tax year. A business seeking to obtain a reduction of taxes under this section shall have the burden of demonstrating, to the satisfaction of the commissioner, that it meets the definition of a technology business and that it meets all applicable criteria for a reduction.

(b) The following incentives, in the form of reduction of taxes owed, shall be available to qualified technology businesses:

(1) For a qualified technology business whose gross receipts from a technology business subject to licensure are one hundred thousand dollars ($100,000.00) or less, any license fee which would otherwise be required by this chapter shall be reduced by one hundred percent (100%) for no more than seven (7) tax years.

(2) A qualified technology business whose gross receipts from a technology business subject to licensure are more than one hundred thousand dollars ($100,000.00) shall

receive a fifty percent (50%) reduction of any taxes owed pursuant to this chapter for no more than seven (7) tax years.

(c) Where a qualified technology business' license tax is determined pursuant to subsection 14-13(c) of this chapter, the commissioner shall determine the appropriate reduction based on the actual tax owed by the business for a tax year, as may be corrected by the commissioner.

(d) Except as otherwise specifically provided, nothing set forth within this section shall affect a technology business' status or classification for tax purposes, its obligation to report gross receipts and to file tax returns, or to pay any license issuance fees or local taxes under this chapter. Nothing contained in this section shall relieve any technology business from its obligation to comply with the requirements of section 14-11, or any other section, of this chapter.

(e) The tax incentives provided by this section shall be available to qualified technology businesses through the tax year ending on December 31, 2031. A qualified technology business shall receive the applicable tax reduction for no more than seven (7) tax years.

Approved by Council
_____ ____, 2026

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Kyna Thomas, MMC
Clerk of Council

	Aye	**No**
Fleisher	___	___
Oschrin	___	___
Payne	___	___
Snook	___	___
Wade	___	___