Recommendations of Previous Local Tax Studies
Recommendations

▸ Retain BPOL Tax because an acceptable alternative revenue source could not be identified.
▸ Enact legislation to provide uniformity to administration of the tax.

Authority: 1994 HJR 110
Chair: Brickley/Holland
Recommendations

▸ Exempt motor vehicles of a certain value provided the local fiscal impact is revenue neutral.

▸ Equalize taxing and financing authority of counties, cities, and towns.

▸ Fully fund all obligations to localities.

Authority: 1997 HJR 532
Chair: Teig
Recommendations

▸ Increase support for local school divisions.

▸ Assume full cost of all mandated services provided through the Comprehensive Services Act.

▸ Dedicate at least six percent of individual income tax collections to localities.

▸ Equalize taxing authority of counties and cities.

▸ Retain current local authority for merchants’ capital and BPOL taxes for revenue flexibility.

Authority: 1998 HJR 578
Chair: Morris
Recommendations

▸ Protect the sales and use tax:
  ▸ Participate in the Streamlined Sales Tax Project.
  ▸ Review all current sales tax exemptions.
  ▸ Extend the tax to certain categories of services and new data/knowledge-related products.

▸ Review:
  ▸ Tax-exempt status of all non-governmental property in Virginia.
  ▸ Current restrictions on service charges that may be applied to tax-exempt property.

Authority: 1998 HJR 578
Chair: Morris

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Recommendations

▸ Impose no new unfunded state mandates on localities, and to the extent possible, eliminate existing ones.
▸ Impose a moratorium on new sales tax exemptions.
▸ Continue working with the Streamlined Sales Tax Project.

Authority: 2001 HJR 685/SJR 387, 2002 HJR 60
Chair: McDonnell/Hanger
Recommendations

▸ Dedicate 20% of income tax revenues to local governments to offset loss of Car Tax revenue.
▸ Equalize taxing authority of cities and counties.
▸ No unfunded state mandates on local governments.
▸ Urge localities to repeal or simplify BPOL tax.
▸ Establish local real property tax districts to fund high priority transportation projects.
▸ Study telecommunication tax reduction and simplification.
▸ Maintain Dillon Rule.

Authority: Executive Order 75 (Gilmore)
Chair: Bliley