



## Memo

To: Roanoke County Board of Supervisors

From: Daniel R. O'Donnell, County Administrator *DRO*

Date: February 21, 2020

Subject: Fiscal Year 2021 Budget Memo #2: Business, Professional, and Occupational License (BPOL) Tax

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In response to a request from the Board of Supervisors, the following budget memo provides information regarding the County of Roanoke's Business, Professional, and Occupational License (BPOL) Tax. Specifically, information is provided on the number of County businesses that pay only the \$50 fee and the number who pay the tax based on gross receipts as of the end of FY 2019. Information was provided by the County of Roanoke's Commissioner of Revenue and Information Technology Department.

As part of the fiscal year 2019-2020 Board of Supervisors' adopted budget, businesses with gross receipts under \$135,000 now pay only an annual license fee of \$50 with no additional BPOL tax imposed per Roanoke County Ordinance 052819-9. Per State Code 58.1-3703 and Attorney General's Opinion No. 05-027, the Board of Supervisors has the ability to increase the threshold for gross receipts in which only an annual license fee is charged, provided additional BPOL taxes are not imposed.

In FY 2019, the annual license fee of \$50 with no additional BPOL tax imposed only applied to businesses in the County under \$125,000 in gross receipts. It is important to note that the fiscal impact of that policy change from \$125,000 to \$135,000 has not been quantified, as BPOL tax collections for fiscal year 2020 are not yet completed.

The table provided on the next page compares the number of Roanoke County businesses that pay the \$50 fee only and the number who pay the BPOL Tax based on their gross receipts above the fee threshold.

For comparison purposes, we have shown in the “Actual FY 2019” column, the number of businesses paying the \$50 fee only based on the actual threshold of \$125,000. The table also shows in the “Adjusted FY 2019” column, the number paying the \$50 fee and the number who pay the BPOL Tax if the current threshold of \$135,000 were in place during FY 2019.

	<b>Actual FY 2019</b>	<b>Adjusted FY 2019</b>	<b>Difference</b>
Roanoke County Businesses Paying \$50 Fee	2,949	3,022	73
Roanoke County Businesses Paying BPOL Tax on Gross Receipts	1,649	1,576	(73)
<b>Total, Roanoke County Businesses</b>	<b>4,598</b>	<b>4,598</b>	<b>0</b>

If you have any additional questions, please contact Laurie Gearheart, Director of Finance & Management Services at 540-283-8126 or [llgearheart@roanokecountyva.gov](mailto:llgearheart@roanokecountyva.gov).

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