

CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA



Agenda Date:	May 5, 2025
Action Required:	Approval of tax refund
Presenter:	Todd Divers, Commissioner of the Revenue
Staff Contacts:	Jason Vandever, City Treasurer John Hunt, Deputy City Attorney
Title:	Resolution to refund \$115,692.68 in Business Tangible Personal Property Tax

Background

A business with situs in the City of Charlottesville, Virginia (“City”), provided business tangible personal property filings for Tax Years 2022 and 2023 that incorrectly included internal development software. The software costs were significant, and the ensuing tax amounts were paid timely by the entity in question. After subsequent inquiries by the taxpayer beginning in June 2024, the COR determined that, pursuant to Virginia Code § 58.1-1101(A)(8), such software is properly classified as intangible personal property, and therefore not subject to local taxation.

Discussion

The amount of tax paid in error is \$115,692.68. 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 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 Deputy City Attorney, COR, and City Treasurer have therefore approved the refund for presentment to City Council.

Alignment with City Council's Vision and Strategic Plan

N/A

Community Engagement

N/A

Budgetary Impact

The refund will reduce current year Business Tangible Personal Property Tax revenue (GL 400105) by \$115,692.68.

Recommendation

Approve attached Resolution authorizing tax refund.

Alternatives

None.

Attachments

1. Refund Resolution