

Policy Briefing Summary

City Council



Regarding:	Resolution for Approval of Refund of Business Tangible Personal Property Tax and Business License Tax, totaling \$33,863.14
Staff Contact(s):	Jason Vandever, City Treasurer
Presenter:	Todd Divers, Commissioner of the Revenue
Date of Proposed Action:	May 18, 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 the City erroneously filed for and paid a business license tax in the City for tax years 2023, 2024, and 2025, after having previously moved its location to Albemarle County, Virginia. The business also incorrectly reported and paid business tangible personal property tax to the City on business assets for the same years.

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 the Taxpayer for business license taxes paid in error for the tax years 2023, 2024, and 2025. Since the business had not yet paid for a 2026 business license, no refund is due for 2026.

Additionally, in accordance with City Code Sec. 30-6 and Virginia Code § 58.1-3980 *et seq.*, a refund is due to the Taxpayer for business tangible personal property taxes paid in error for the same years. 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 \$33,863.14:

Business License Tax:

2025 - \$5,337.26

2024 - \$6,378.05

2023 - \$5,749.91

Business Tangible Personal Property Tax:

2025 - \$5,927.16

2024 - \$5,235.38

2023 - \$5,235.38

It is the Commissioner of the Revenue's ("COR") 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 the City Attorney ("CA") with 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 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 \$17,465.22, plus a yet to be determined amount of interest. The refund will reduce current year Business Tangible Personal Property Tax revenue (GL 400105) by \$16,397.92.

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 \$33,863.14 to a taxpaying entity or business for business license tax and business tangible personal property tax paid in error for 2023, 2024, and 2025."

Attachments

1. Refund Resolution