



FY 2022 Recommended Budget Budget Question

Board Question #: 7

BUDGET QUESTION: Can we set a different transient occupancy tax rate for a one or two hour stay vs. a regular night stay?

RESPONDING DEPARTMENT/OFFICE: Budget Office/County Attorney

RESPONSE: The Virginia Constitution requires that taxes be levied and collected uniformly upon the same class of subjects. The Virginia Constitution allows the General Assembly to establish different classifications for the purposes of establishing different rates or for allowing exemptions. However, no separate classifications exist under the transient occupancy tax in the State Code and, as such, the tax must be applied uniformly to all taxpayers regardless of whether they stay for a few hours or the full day/night. They cannot be taxed at a different rate.

ESTIMATE OF STAFF TIME SPENT ON RESPONSE: