



FY 2019 Recommended Budget Budget Question

Board Question #: 2

BUDGET QUESTION: Why is the professional category for Business License taxed at a higher rate than other categories? How much revenue is generated from the professional category?

RESPONSE: The categorical Business License (BPOL) rates are set by decision of the Board and are subject to maximums imposed by State law. When Spotsylvania established the BPOL tax in 1986, rates were set by the Board at one-half of the maximum rates per \$100 of gross receipts permitted by State Code as shown below:

Category	State Maximum	Spotsylvania Rate
Amusements	\$0.36	\$0.18
Business Services	\$0.36	\$0.18
Contractors	\$0.16	\$0.08
Direct Sellers	\$0.20	\$0.10
Developers	\$0.36	\$0.18
Itinerant Merchants & Peddlers	\$0.20	\$0.10
Miscellaneous	\$0.36	\$0.18
Out of Area Contractors	\$0.16	\$0.08
Personal Services	\$0.36	\$0.18
Photographers	\$0.36	\$0.18
Professionals	\$0.58	\$0.29
Rentals	\$0.36	\$0.18
Repairs Services	\$0.36	\$0.18
Retail Merchants	\$0.20	\$0.10
Wholesale Merchants	\$0.05	\$0.025

Since 1986, changes made by the Board to the BPOL tax have affected the threshold of gross receipts at which the tax is paid, but have not affected the categorical rates.

In calendar year 2017, \$801,577 was billed for the professional category.