ARLINGTON COUNTY, VIRGINIA

County Board Agenda Item
Meeting of October 24, 2009

DATE: October 1, 2009

SUBJECT: Request to advertise a public hearing on proposed amendments to Chapter 27 (Miscellaneous Ordinances) of the Arlington County Code, Section 27-11 to change the payment due date on business tangible property tax from September 15 to September 5.

C. M. RECOMMENDATION:

Authorize advertising for an November 14, 2009, public hearing on proposed amendments to Chapter 27 (Miscellaneous Ordinances) of the Arlington County Code, Section 27-11, as shown in Attachment I, changing the payment due date on business tangible property tax from September 15 to September 5.

ISSUES: Whether the deadline for business tangible taxes should be moved from September 15 to September 5.

SUMMARY: The Code of Virginia § 58.1-3916 allows localities to establish by ordinance due dates for the payment of local taxes. The proposed revision will change the due date for payments on business tangible property tax from September 15 to September 5. This revision to Arlington County's ordinance will allow the County to have additional funds available during the month of August, which, excluding April, is the month that the County has the lowest cash balances.

BACKGROUND: The current due date on business tangible property tax is September 15. The historic date on which Virginia taxes fall due is the fifth of the month. By moving the due date a mere ten days earlier to September 5, the workload for both the Commissioner of Revenue and the Treasurer's Office would be spread during the extremely busy period associated with the payment deadline of October 5. This revision would also allow the Treasurer's Office to pursue delinquent business tangible taxes prior to October. Moreover, by obtaining the funds at an earlier date, the County will generate at least $15,000 in additional interest earnings annually. Finally, the business community has voiced no opposition to this change.

DISCUSSION: This proposal moves the due date for business tangible property tax up by ten days. This change will benefit the County by increasing cash balances during the month of August and will generate $15,000 in interest earnings (even given the current low rate of return

County Manager: RCL BMD

County Attorney: _____

Staff: Frank O'Leary, Arlington County Treasurer

on investments). It will also accelerate and improve the capacity of the Treasurer to collect delinquent revenues. Finally, this change in due date imposes no additional burdens on either the Commissioner of Revenue or the Treasurer.

FISCAL IMPACT: It is expected that the proposed due date change will generate an additional $15,000 in interest income in FY 2011. This revenue would be appropriated as part of the FY 2011 budget process in April 2010.

ATTACHMENT I

AN ORDINANCE TO AMEND CHAPTER 27 (MISCELLANEOUS ORDINANCES) OF THE ARLINGTON COUNTY CODE RELATING TO THE DUE DATE OF BUSINESS TANGIBLE PERSONAL PROPERTY TAX

BE IT ORDAINED By the County Board of Arlington, Virginia, that Chapter 27, Section 27-11 of the Arlington County Code is amended, reenacted and recodified to read in pertinent part as follows:

* * *

§ 27-11. Personal property tax on business tangible personal property and machinery and tools.

(a) There shall be a personal property tax at the personal property tax rate established each year by the ~~county board~~ County Board on the assessed value of all tangible personal property, machinery, and tools employed in a trade or business, as defined by Virginia Code, located in Arlington County on and valued as of January 1 of each tax year which shall be paid on or before September ~~15~~ 5of that year.

(b) Any person who fails to pay the taxes on or before September ~~15~~ 5 shall incur a penalty of ten (10) percent of the amount due, or ten dollars ($10.00), whichever shall be greater, but not to exceed the amount of the tax, which shall become part of the tax due from the person assessed. Any tax remaining unpaid in whole or in part sixty (60) days after the payment due date, shall incur an additional penalty of fifteen (15) percent of the tax due and unpaid. Interest shall accrue as ~~at the rate~~ specified ~~if~~ in section 27-3. ~~,from the first day of the month following the month in which the taxes are due, shall be paid upon the principal and penalties of taxes remaining unpaid.~~

(c) Returns of tangible personal property, machinery, and tools employed in a trade or business shall be filed on or before May 1 of each tax year on forms prescribed by the ~~commissioner~~ Commissioner of the ~~revenue~~ Revenue. Any person liable for tax in Arlington County who fails to file a return of tangible personal property, machinery, and tools on or before May 1 of each year shall incur a penalty of ten (10) percent of the tax assessed, which shall become part of the tax due for that year. This penalty shall be in addition to all other penalties and interest incurred for late payment of taxes or for filing a false tax return.