

Analysis of Equal Meals Tax Authority for Virginia Counties

Fiscal Analytics prepared the following estimate of additional meals taxes potentially available to counties if the General Assembly granted them the same taxing authority as cities in Virginia. Methodology used CY 2008 Virginia food and drink taxable sales adjusted by a ratio derived by comparing to actual meals taxes collected in localities. These adjusted sales were then multiplied by the highest applicable tax rate levied in the PDC in which the locality resides. For example, in PDC 8 the highest current meals tax rate is four percent, therefore the model applies a four percent potential rate to all localities adjusted food and drink taxable sales in PDC 8. Any amount from an existing county meals tax was netted from the total derived using the highest regional tax rate. In addition, the meals tax revenue from the 36 largest towns was also netted from county taxable sales. See **Appendix 1** for the complete meals tax estimate by locality.

Results: Additional \$225 million in meals taxes could potentially be generated by Virginia counties.

Sources: Virginia Local Tax Rates 2008, Weldon Cooper Center
2008 Taxable Sales Report, Virginia Department of Taxation
2008 Comparative Report of Local Government Revenues and Expenditures

Appendix 1

Estimate of Potential Meals Tax If Counties Given Equal Taxing Authority

	PDC	2008 Meals Tax Rate	Use Existing Highest PDC Rate	New Meals Tax - Net of Largest Towns
Lee County	1		0.060	\$580,049
Norton City	1	0.06	0.060	\$0
Scott County	1		0.060	\$802,984
Wise County	1		0.060	\$1,047,335
Buchanan County	2		0.020	\$273,451
Dickenson County	2	0.02	0.020	\$0
Russell County	2		0.020	\$352,556
Tazewell County	2		0.020	\$601,766
Bland County	3	0.04	0.060	\$55,360
Bristol City	3	0.06	0.060	\$0
Carroll County	3	0.04	0.060	\$364,838
Galax City	3	0.04	0.060	\$0
Grayson County	3		0.060	\$198,268
Smyth County	3		0.060	\$1,662,560
Washington County	3		0.060	\$1,466,639
Wythe County	3	0.04	0.060	\$207,332
Floyd County	4		0.050	\$373,756
Giles County	4		0.050	\$633,641
Montgomery County	4	0.04	0.050	\$373,572
Pulaski County	4	0.04	0.050	\$341,408
Radford City	4	0.05	0.050	\$0
Alleghany County	5	0.04	0.050	\$84,352
Botetourt County	5	0.04	0.050	\$320,611
Covington City	5	0.05	0.050	\$0
Craig County	5	0.04	0.050	\$4,515
Roanoke City	5	0.04	0.050	\$0
Roanoke County	5	0.04	0.050	\$982,627
Salem City	5	0.04	0.050	\$0
Augusta County	6	0.04	0.060	\$1,216,270
Bath County	6		0.060	\$138,373
Buena Vista City	6	0.04	0.060	\$0
Harrisonburg City	6	0.06	0.060	\$0

Highland County	6		0.060	\$0
Lexington City	6	0.04	0.060	\$0
Rockbridge County	6	0.04	0.060	\$488,031
Rockingham County	6		0.060	\$2,451,775
Staunton City	6	0.06	0.060	\$0
Waynesboro City	6	0.05	0.060	\$0
Clarke County	7		0.050	\$403,443
Frederick County	7	0.04	0.050	\$749,245
Page County	7	0.04	0.050	\$50,243
Shenandoah County	7		0.050	\$894,645
Warren County	7	0.04	0.050	\$95,291
Winchester City	7	0.05	0.050	\$0
Alexandria City	8	0.04	0.040	\$0
Arlington County	8	0.04	0.040	\$0
Fairfax City	8	0.04	0.040	\$0
Fairfax County	8		0.040	\$73,110,505
Falls Church City	8	0.04	0.040	\$0
Loudoun County	8		0.040	\$17,676,655
Manassas City	8	0.04	0.040	\$0
Manassas Park City	8	0.04	0.040	\$0
Prince William County	8		0.040	\$19,995,571
Culpeper County	9		0.040	\$583,139
Fauquier County	9		0.040	\$1,621,064
Madison County	9	0.04	0.040	\$0
Orange County	9	0.04	0.040	\$0
Rappahannock County	9	0.04	0.040	\$0
Albemarle County	10	0.04	0.040	\$0
Charlottesville City	10	0.04	0.040	\$0
Fluvanna County	10		0.040	\$344,924
Greene County	10	0.04	0.040	\$0
Louisa County	10		0.040	\$722,048
Nelson County	10	0.04	0.040	\$0
Amherst County	11	0.04	0.065	\$699,611
Appomattox County	11		0.065	\$584,242
Bedford City	11	0.05	0.065	\$0
Bedford County	11	0.04	0.065	\$627,576
Campbell County	11		0.065	\$2,793,282
Lynchburg City	11	0.065	0.065	\$0
Danville City	12	0.05	0.060	\$0
Franklin County	12	0.04	0.060	\$493,105
Henry County	12	0.04	0.060	\$771,830
Martinsville City	12	0.06	0.060	\$0

Patrick County	12		0.060	\$443,739
Pittsylvania County	12		0.060	\$1,238,177
Brunswick County	13		0.040	\$278,106
Halifax County	13		0.040	\$387,842
Mecklenburg County	13		0.040	\$620,299
				\$0
Amelia County	14		0.040	\$68,758
Buckingham County	14		0.040	\$117,433
Charlotte County	14		0.040	\$120,929
Cumberland County	14		0.040	\$57,848
Lunenburg County	14		0.040	\$47,594
Nottoway County	14		0.040	\$492,208
Prince Edward County	14		0.040	\$203,829
Charles City County	15		0.060	\$24,014
Chesterfield County	15		0.060	\$25,146,418
Goochland County	15		0.060	\$960,147
Hanover County	15		0.060	\$6,125,965
Henrico County	15		0.060	\$35,335,000
New Kent County	15	0.04	0.060	\$197,799
Powhatan County	15		0.060	\$784,396
Richmond City	15	0.06	0.060	\$0
Caroline County	16	0.04	0.050	\$179,471
Fredericksburg City	16	0.05	0.050	\$0
King George County	16	0.04	0.050	\$141,134
Spotsylvania County	16	0.04	0.050	\$1,588,930
Stafford County	16	0.04	0.050	\$1,113,614
Lancaster County	17		0.040	\$552,684
Northumberland County	17		0.040	\$230,887
Richmond County	17		0.040	\$282,605
Westmoreland County	17		0.040	\$474,319
Essex County	18		0.040	\$682,856
Gloucester County	18	0.04	0.040	\$0
King and Queen County	18		0.040	\$44,555
King William County	18		0.040	\$234,569
Mathews County	18		0.040	\$213,363
Middlesex County	18		0.040	\$283,287
Colonial Heights City	19	0.05	0.065	\$0
Dinwiddie County	19	0.04	0.065	\$307,472
Emporia City	19	0.065	0.065	\$0
Greensville County	19	0.04	0.065	\$101,792
Hopewell City	19	0.055	0.065	\$0
Petersburg City	19	0.04	0.065	\$0

Prince George County	19	0.04	0.065	\$342,935
Surry County	19		0.065	\$80,178
Sussex County	19		0.065	\$410,087
Accomack County	22		0.040	\$898,399
Northampton County	22	0.04	0.040	\$0
Chesapeake City	23	0.055	0.065	\$0
Franklin City	23	0.065	0.065	\$0
Hampton City	23	0.065	0.065	\$0
Isle of Wight County	23	0.04	0.065	\$204,715
James City County	23	0.04	0.065	\$3,235,788
Newport News City	23	0.065	0.065	\$0
Norfolk City	23	0.065	0.065	\$0
Poquoson City	23	0.055	0.065	\$0
Portsmouth City	23	0.065	0.065	\$0
Southampton County	23		0.065	\$201,242
Suffolk City	23	0.065	0.065	\$0
Virginia Beach City	23	0.055	0.065	\$0
Williamsburg City	23	0.05	0.065	\$0
York County	23	0.04	0.065	\$3,236,736
Statewide Counties				\$224,930,608