

ALERT

Capitol Contact

2017 Virginia General Assembly



Capitol Contact ALERT – Contact your Legislators NOW to oppose BPOL bill

Costly SB 836 in Senate Finance Committee on Wednesday

[SB 836 \(Chase\)](#) would require localities to base the Business, Professional and Occupational License (BPOL) tax on the Virginia taxable income of a business instead of the current law that gives a locality the option to impose the tax upon gross receipts or Virginia taxable income.

The bill would reduce BPOL revenues by about 95 percent.

[The Senate Finance Committee](#) will hear **SB 836** tomorrow at its meeting that starts at 9 a.m.

VACo Members – please call your legislators now to oppose [SB 836](#).

TALKING POINTS

- A 2013 study done by the legislature’s Joint Legislative Audit and Review Commission (JLARC) concluded that changing the basis of the tax from gross receipts to net income **would reduce local revenue from the tax by about 95 percent.**
- Because so many businesses would no longer be paying BPOL, the rates would have to increase to 5 percent, which would be an average tax increase of 40 percent on profitable businesses still subject to the tax.
- Changing the basis of the tax to net income would make the tax more difficult for businesses to understand and costly for localities to administer.
- In 2015, localities collected \$683.9 million in BPOL taxes. SB 836 does not provide an alternative revenue source. Nor does it include any provisions to

reduce local costs in carrying out state mandates in public education and other areas.

KEY CONTACTS

Senate Finance Committee: [Norment \(Co-Chair\)](#), [Hanger \(Co-Chair\)](#), [Howell](#), [Saslaw](#), [Lucas](#), [Newman](#), [Ruff](#), [Wagner](#), [McDougle](#), [Vogel](#), [Carrico](#), [Obenshain](#), [Barker](#), [Dunnavant](#)

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