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**HOUSE BILL NO. 1530**

Offered January 11, 1995

*A BILL to amend and reenact §§ 58.1-540 and 58.1-549 of the Code of Virginia, relating to authority to levy local income tax.*

\_\_\_\_\_  
Patron—Mayer

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Referred to Committee on Finance

**Be it enacted by the General Assembly of Virginia:****1. That §§ 58.1-540 and 58.1-549 of the Code of Virginia are amended and reenacted as follows:**

§ 58.1-540. Levy of the tax.

A. Any county having a population of more than 500,000, as determined by the 1980 U.S. Census, any county or city adjacent thereto, and any city contiguous to such an adjacent county or city, or any city with a population of at least 265,000, is hereby authorized to levy a local income tax at any increment of one-quarter percent up to a maximum rate of one percent upon the Virginia taxable income as determined in § 58.1-322 for an individual, § 58.1-361 for a fiduciary of an estate or trust, or § 58.1-402 for a corporation, for each taxable year of every resident of such county or city or corporation having income from sources within such county or city, subject to the limitations of subsection B of this section. The same rate shall apply to individuals, fiduciaries and corporations.

B. The authority to levy a local income tax as provided in subsection A may be exercised by a county or city governing body only if approved in a referendum within the county or city *prior to January 1, 1997*. The referendum shall be held in accordance with § 24.1-165. The referendum may be initiated either by a resolution of the governing body of the county or city or on the filing of a petition signed by a number of registered voters of the county or city equal in number to ten percent of the number of voters registered in the county or city on January 1 of the year in which the petition is filed with the circuit court of such county or city. The clerk of the circuit court shall publish notice of the election in a newspaper of general circulation in the county or city once a week for three consecutive weeks prior to the election. The ballot used shall be printed to read as follows:

"Shall the governing body of (...name of county or city...) have the authority to levy a local income tax of up to one percent for transportation purposes in accordance with § 58.1-540 of the Code of Virginia?"

☐ Yes

☐ No"

If the voters by a majority vote approve the authority of the local governing body to levy a local income tax, the tax may be imposed by the adoption of an ordinance by the governing body of the county or city in accordance with general or special law, and the tax may be thereafter enacted, modified or repealed as any other tax the governing body is empowered to levy subject only to the limitations herein. No ordinance levying a local income tax shall be repealed unless and until all debts or other obligations of the county or city to which such revenues are pledged or otherwise committed have been paid or provision made for payment.

§ 58.1-549. Expiration of authority to levy tax.

Notwithstanding the provisions of subsection B of § 58.1-540 or any other provision of law, *no county or city may levy a tax under this article if a referendum approving such tax has not been held prior to January 1, 1997, and no tax levied by a county or city under the authority of this article shall continue to be levied on or after a date five years from the effective date of the tax in such county or city.*

INTRODUCED

HB1530