2006 SESSION

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1	SENATE BILL NO. 597
2	Offered January 11, 2006
3	A BILL to amend the Code of Virginia by adding a section numbered 58.1-3716.1, relating to the local
4	license tax on sellers of fuels.
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	Patron—Watkins
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7	Referred to Committee on Finance
8 9	Do it enceted by the Conorol Assembly of Virginia.
9 10	Be it enacted by the General Assembly of Virginia: 1. That the Code of Virginia is amended by adding a section numbered 58.1-3716.1 as follows:
11	§ 58.1-3716.1. Local license tax on sellers of fuels.
12	Notwithstanding the license tax rates set forth in §§ 58.1-3706, 58.1-3716, or any other provision of
13	this chapter, the tax or fee imposed on any distributor as defined in § 58.1-2201 shall be computed as
14	follows:
15	1. If such distributor was not in business in the county, city, or town for the entire 24 months of the
16	base year and the immediately preceding base year, the tax or fee imposed under this chapter shall be
17	computed using the tax rate for such distributor as set forth in § 58.1-3706 or 58.1-3716 or the fee
18	imposed under § 58.1-3703, as applicable.
19	2. If such distributor was subject to the license fee set forth in § 58.1-3703 in the county, city, or
20	town for the base year that precedes the current base year, the tax or fee imposed under this chapter
21	shall be computed using the tax rate for such distributor as set forth in § 58.1-3706 or 58.1-3716 or the
22	fee imposed under § 58.1-3703, as applicable.
23 24	3. In all other cases: a. If the gross receipts of such distributor for the base year is equal to or exceeds the gross receipts
24 25	of such distributor for the immediately preceding base year, the tax under this chapter shall be
23 26	computed using the tax rate for such distributor as set forth in § 58.1-3706 or 58.1-3716, as applicable,
27	provided that in no case shall the tax exceed 105% of the tax for the immediately preceding year.
28	b. If the gross receipts of such distributor for the base year is less than the gross receipts of such
29	distributor for the immediately preceding base year, the tax under this chapter shall be computed using
30	the tax rate for such distributor as set forth in § 58.1-3706 or 58.1-3716, as applicable, provided that in
21	no ages shall the tay he loss than 050 of the tay for the immediately preseding year

30 the tax rate for such distributor as set form in § 50.1-5700 or 50.1-5710, as applicable **31** no case shall the tax be less than 95% of the tax for the immediately preceding year.

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