



## Legislation Details (With Text)

<b>File #:</b>	20-0110	<b>Version:</b>	1	<b>Name:</b>	Personal Property Tax Refund
<b>Type:</b>	Resolution	<b>Status:</b>		<b>Status:</b>	Passed
<b>File created:</b>	3/10/2020	<b>In control:</b>		<b>In control:</b>	City Council Legislative Session
<b>On agenda:</b>	5/27/2020	<b>Final action:</b>		<b>Final action:</b>	5/27/2020
<b>Title:</b>	Request for Approval of Refund of Certain Erroneously Assessed Personal Property Taxes				
<b>Sponsors:</b>					
<b>Indexes:</b>					
<b>Code sections:</b>	37-2(b) - Refunds, Virginia Code Section 58.1-3981 - Correction by Commissioner or other official performing his duties				
<b>Attachments:</b>					

Date	Ver.	Action By	Action	Result
5/27/2020	1	City Council Legislative Session	approved	Pass

### Request for Approval of Refund of Certain Erroneously Assessed Personal Property Taxes

#### **PURPOSE/BACKGROUND:**

The City Treasurer shall issue refunds of local tax, penalty, and interest assessed and paid, owing to a taxpayer due to an erroneous assessment. Pursuant to Hampton City Code Section 37-2(b) and Code of Virginia Section 58.1-3981, no refund in excess of \$2,500 per invoice shall be made until the amount is approved by the City Attorney and the City Council.

#### **Discussion:**

The Commissioner of the Revenue has given notice to the Treasurer of a change in assessment resulting in a need to refund certain personal property taxes paid by Western Finance & Lease Inc. on property used by Tidewater Touring, Inc., a state regulated motor carrier. The refund relates to a 2019 Freightliner initially assessed as personal property, but later determined to be rolling stock. "Rolling stock" is a class of property applicable to inter and intra state motor carriers. Rolling stock assessments are provided by the State Corporation Commission to local taxing authorities, with those assessments being based on an allocation of mileage attributable to the Commonwealth and the locality. The amount of the personal property tax to be refunded is \$7,087.50, with additional interest in the amount of \$340.20 also payable. In this case, for general revenue purposes, the impact of this refund is offset by rolling stock taxes already remitted to the City (via the Commonwealth) for this vehicle.

#### **Recommendation:**

Approve the Resolution.

WHEREAS, pursuant to Hampton City Code Section 37-2(b), the City Treasurer shall issue refunds of local tax, penalty, and interest owing to taxpayer, except that no refund in excess of \$2,500 per invoice for tax, penalty, and interest, until the amount of the refund is approved by City Council in

accordance with Code of Virginia Section 58.1-3981;

WHEREAS, pursuant to Code of Virginia Section 58.1-3981(A), if an assessment has been paid, the governing body of the county or city shall, upon certification of the assessing official and the city attorney, that an assessment is erroneous, direct the treasurer to refund the excess paid, with interest if so authorized.

WHEREAS, the Commissioner of the Revenue has certified that certain 2019 personal property taxes levied on Western Finance and Lease, Inc. in the amount of \$7,087.50 were erroneous and the City Attorney agrees that the assessment was erroneous; and

WHEREAS, the Treasurer has certified that those taxes were paid by Western Equipment Finance, Inc., the exoneration of which results in a total refund due to Western Equipment Finance, Inc. in the total amount of \$7,427.70, which includes \$340.20 of interest payable in addition to the taxes.

NOW THEREFORE, the City Council of the City of Hampton, Virginia directs the Treasurer to refund to Western Equipment Finance, Inc. the total sum of \$7,427.70.