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Commissioner

Commissioner of the Revenue

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Business License Incentive Program

City Council adopted a business license incentive program with an effective date of January 1, 2012. A new qualifying business that locates in the city of Virginia Beach for the first time and anticipates gross receipts greater than \$100,000.00 shall pay a license fee of \$50.00 for the first 2 calendar years.

Please read and answer the following questions.

1. Have you ever owned or operated a business in Virginia Beach? Yes No

If yes, please give date and type of business: _____

2. Has the business you are applying for today conducted business in Virginia Beach prior to today's date? Yes No
Date business started _____.

3. Is this business activity the result of a merger, acquisition or similar combination?
Yes No

4. Is this business entity affiliated to another business entity operating within the City of Virginia Beach?
Yes No If yes, please list all business entities.

5. Are the officers or members of this entity also members or officers in any other like kind business venture within the City of Virginia Beach? Yes No

If yes, please list the entity names.

6. Is this transaction today an entity name change or trade name change only? Yes No

7. Will your business have gross receipts greater than \$100,000.00 this year? Yes No

8. Do you feel you qualify and want to apply for the business license Incentive Program? Yes No

If you are applying for the incentive program today, you will be given a provisional license until the application is reviewed. You will receive a final determination letter within 10 days.

I have read the city of Virginia Beach code sections 18-201 through 18-208 and all information provided is true and correct.

Name of the Business

Address of Business

Print Name and Title

Signature

Date

CITY OF VIRGINIA BEACH

Chapter 18 - LICENSE CODE

ARTICLE III. - BUSINESS LICENSE INCENTIVE PROGRAM FOR NEW BUSINESSES

Sec. 18-201. - Purpose and intent.

The city council finds that the development of its business tax base requires a business license incentive program for new businesses ("incentive program"), and determines that a reduction in the business license taxes for qualifying new businesses will foster business development and encourage entrepreneurialism.

(Ord. No. 3184, 6-28-11)

Sec. 18-202. - Administration.

This article shall be administered and enforced by the commissioner of the revenue.

(Ord. No. 3184, 6-28-11)

Sec. 18-203. - Effective date.

This article shall be effective January 1, 2012.

(Ord. No. 3184, 6-28-11)

Sec. 18-204. - Definitions.

For purposes of this article, the following words shall have the meanings ascribed to them in this section:

Acquisition shall mean the combination of two (2) or more existing businesses where one (1) business acquires the ownership of the other business(es).

Business license year shall mean calendar year.

Change in business form shall mean a change in the organization of an existing business. A change in business form occurs whether such change is voluntary or involuntary, recognized by the state corporation commission or not recognized by the state corporation commission. A change in business form shall include a new business entity that meets the definition of "affiliated group," as that term is defined in Code of Virginia § 58.1-3700.1, and such business conducts business activities that are similar to one (1) or more of the affiliated businesses. However, a new business entity that meets the affiliation definition but undertakes a business that conducts substantially different business activities shall not be treated as a change in business form.

Merger shall mean the combination of two (2) or more existing businesses to establish a new business.

Name change shall mean the change in the name upon which a business trades. A name change occurs whether or not the business registers such name or change of name with the state corporation commission.

Qualifying business shall mean a business that locates for the first time in the city after the effective date of this article. A business shall not be deemed to locate in the city for the first time based on a merger, acquisition, similar business combination, name change, or a change in business form. A business shall not be deemed to locate in the city for the first time if there is an existing business in the city trading under the same or substantially similar business name, the businesses conduct similar business activities, and the businesses are related either by a shared ownership structure or a contractual relationship such as a franchisor/franchisee relationship. A qualifying business shall not include peddlers and itinerant merchants. A qualifying business shall not include a contractor required to obtain a business license by Code of Virginia § 58.1-3715(B). When applying for any benefit afforded under this article, the applicant shall have the burden of proving qualification as a qualifying business.

Similar business combination shall mean any transaction that is of the same nature as a merger or an acquisition. (Ord. No. 3184, 6-28-11)

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Sec. 18-205. - Presumption.

The incentive program is a program in the nature of a partial tax exemption. As such, the rule of construction provided by article X, section (f) of the Constitution of Virginia shall apply.

(Ord. No. 3184, 6-28-11)

Sec. 18-206. - Application and appeal.

(a) Any business seeking to qualify as a qualifying business shall complete an application in writing. The application shall be on forms developed by the commissioner of the revenue.

(b) Any determination of qualification or of nonqualification as a qualifying business shall be in writing by the commissioner of the revenue.

(c) The appeal of a determination of nonqualification shall follow the appeal process of any other business license tax decision.

(Ord. No. 3184, 6-28-11)

Sec. 18-207. - Business license tax reduction.

(a) A qualifying business that would otherwise be required to pay license taxes pursuant to City Code section 18-5.2(c) shall be entitled to pay business license taxes at the fifty dollars (\$50.00) flat fee provided by City Code section 18-5.2(b).

(b) The license tax reduction provided in subsection (a) shall apply to the business license year in which the qualifying business locates in the city and the following business license year.

(c) A qualifying business shall forfeit any entitlement to the license tax reduction provided in subsection (a) if such business is delinquent on any local tax including but not limited to personal property taxes, real property taxes, admissions taxes, meals taxes, and transient occupancy taxes.

(Ord. No. 3184, 6-28-11)

Sec. 18-208. - Obligations of a qualifying business.

(a) Nothing in this article shall be construed to repeal any requirement of businesses within the city to maintain records or comply with an audit by the commissioner of the revenue.

(b) A qualifying business shall report its personal property and gross receipts to the commissioner of the revenue, at such times and in such manner as required by law and the failure to timely report shall result in the forfeiture of any entitlement to the license tax reduction provided by subsection (a) of section 18-206

(Ord. No. 3184, 6-28-11)