

RESUME

November 9, 2016

PUBLIC HEARING TO AMEND § 14-39 OF THE CODE OF THE COUNTY OF PRINCE GEORGE, VIRGINIA, 2005, AS AMENDED, TO ADD A LICENSE TAX FOR DIRECT SALES AND TO ELIMINATE A FEE FOR MASSAGE PARLORS

The County Code fails to include the business of “direct sales” as a business activity subject to a license tax in Prince George. Under State law, “direct sales” is the sale of merchandise or consumer products when the seller has no permanent business location. There are currently three known people engaged in direct sales in the County although that number may represent an undercount because previously there was no tax consequence to engaging in direct sales. The Commissioner of the Revenue does not anticipate significant tax revenue arising out of this change. The Commissioner of the Revenue recommends setting a tax rate of \$0.15 per \$100 rate (State maximum rate is \$0.20 per \$100). In addition, it is recommended that the outdated reference to a \$5,000 license fee for massage parlors be repealed. Massage therapists are currently taxed as a personal service.

ORDINANCE TO AMEND THE CODE OF THE COUNTY OF PRINCE GEORGE, VIRGINIA, 2005, AS AMENDED, BY AMENDING § 14-39 TO ADD A LICENSE TAX FOR DIRECT SALES AND TO ELIMINATE A FEE FOR MASSAGE PARLORS

BE IT ORDAINED by the Board of Supervisors of Prince George County:

- (1) *That The Code Of The County Of Prince George, Virginia, 2005, as amended, is amended and re-codified by amending § 14-39, as follows:*

Sec. 14-39. – License fee and tax.

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- (b) Except as otherwise provided in this article, every person whose gross receipts from a business, profession or occupation subject to licensure exceeded \$50,000.00 during the preceding license year shall pay a tax levied on such gross receipts in accordance with the following schedule:

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- (11) ~~Every person operating a massage parlor shall pay an annual license tax of \$5,000.00. Such license shall neither be transferable to another person nor subject to proration for part of a license year.~~
- (11) For direct sellers as defined in § 58.1-379.1 Code of Virginia, 1950, as amended, with total annual sales in excess of \$4,000, (\$0.15) per hundred dollars of total gross annual retail sales.

- (2) *That this ordinance shall be effective immediately upon adoption.*