

**DEPARTMENT OF TAXATION  
2023 Fiscal Impact Statement**

1. **Patron** Patrick A. Hope
3. **Committee** House Finance
4. **Title** Local License Taxes and Fees; Exemptions;  
Blog or Online Website

2. **Bill Number** HB 1920  
**House of Origin:**  
  X   **Introduced**  
      **Substitute**  
      **Engrossed**
- Second House:**  
      **In Committee**  
      **Substitute**  
      **Enrolled**

**5. Summary/Purpose:**

This bill would prohibit localities from imposing a local license tax on the privilege or right of publishing any blog or online website that: (i) contains daily or regularly updated news, feature articles, advertisements, or correspondence; and, (ii) employs full time at least one journalist who has a Virginia taxable income.

Under current law, there is not prohibition on localities imposing a license tax on the publishing of a blog or online website.

If enacted during the regular session of the 2023 General Assembly, this bill would become effective July 1, 2023.

6. **Budget amendment necessary:** No
7. **Fiscal Impact Estimates are:** Not available. (See Line 8.)
8. **Fiscal implications:**

Administrative Costs

This bill could result in administrative costs to localities as a result of the restriction on license taxes.

This bill would have no impact on state administrative costs.

Revenue Impact

This bill could result in an unknown negative revenue impact to localities as a result of the restriction on license taxes.

It would have no impact on state revenues.

**9. Specific agency or political subdivisions affected:**

All localities

**10. Technical amendment necessary: No**

**11. Other comments:**

Local License Taxes

The Business Professional and Occupational License (“BPOL”) tax is a tax on businesses for the privilege of engaging in business at a definite place of business within a Virginia locality. The BPOL tax is currently imposed in all 39 cities, 48 of the 95 counties, and many of the towns of the Commonwealth. The measure or basis of the BPOL tax generally is the gross receipts of the business. However, current law allows localities to assess the BPOL tax on either gross receipts or the Virginia taxable income of a business.

Under current BPOL law, any locality may charge a license fee in an amount not to exceed:

- \$100 for any locality with a population greater than 50,000;
- \$50 for any locality with a population of 25,000 but no more than 50,000; and,
- \$30 for any locality with a population smaller than 25,000.

The locality may not assess a license tax on gross receipts upon which it charges a license fee. Additionally, the locality may not impose a license tax on a business with gross receipts:

- less than \$100,000 in any locality with a population greater than 50,000; and,
- less than \$50,000 in any locality with a population of 25,000 but no more than \$50,000.

Any business with gross receipts in excess of these thresholds may be subject to a license tax at a rate not to exceed the rates set forth below:

- Contracting - sixteen cents per \$100 of gross receipts;
- Retail sales - twenty cents per \$100 of gross receipts;
- Financial, real estate, and professional services - fifty eight cents per \$100 of gross receipts; and,
- Repair, personal and business services, and all other businesses - thirty six cents per \$100 of gross receipts.

Localities are prohibited from imposing a license tax on certain business activities, including the privilege or right of printing or publishing any newspaper, magazine, newsletter, or other publication issued daily or regularly at average intervals not exceeding three months, provided the publication's subscription sales are exempt from state sales tax, or for the privilege or right of operating or conducting any radio or television broadcasting station or service.

## Proposal

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cc : Secretary of Finance

Date: 1/21/2023 SK  
HB1920F161