

INTRODUCED: March 11, 2024

AN ORDINANCE No. 2024-081

To amend City Code § 26-298, concerning interest on refunds of tax payments, for the purpose of requiring the Department of Finance to notify taxpayers of admissions, lodging, and meals taxes and business, professional and occupational license taxes of any credits or overpayments on their accounts and invite the taxpayer to apply for a refund within 90 days of the credit becoming available.

Patrons – Ms. Lynch, President Nye, Mayor Stoney, Vice President Lambert, Ms. Robertson, Ms. Newbille,
Ms. Trammell, Ms. Jones and Mr. Addison

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: MAR 25 2024 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That section 26-298 of the Code of the City of Richmond (2020) is hereby
amended and reordained as follows:

Sec. 26-298. Interest on refunds.

(a) Whenever the Director of Finance determines that any taxes [~~due under this chapter~~] levied pursuant to Articles VIII, IX, X, or XV of this chapter have been erroneously assessed or that payments have been remitted in excess of the taxes due the City, the Director shall

AYES: 8 NOES: 0 ABSTAIN: _____

ADOPTED: MAR 25 2024 REJECTED: _____ STRICKEN: _____

notify the affected taxpayer of the same within 90 days after such determination. Such notification shall also include instructions of how the taxpayer may apply for a refund.

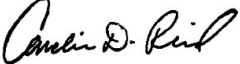
(b) Upon application from a taxpayer for a refund of any tax levied pursuant to this Chapter, the Director shall refund ~~[such]~~ erroneous or excess tax payments with interest at the same rate as charged by the City for delinquent or omitted tax payments.

~~[(b)]~~ (c) The interest on such tax refunds shall be calculated and paid as follows:

(1) Interest shall be calculated beginning from the date of the payment that created the refund or the due date of the tax, whichever is later, until the date of issuance of the refund to the taxpayer.

(2) No interest shall be paid on a refund that is made not more than 30 days from the date of the payment that created the refund or the due date of the tax, whichever is later.

§ 2. This ordinance shall be in force and effect upon adoption.

A TRUE COPY:
TESTE:

City Clerk



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Council Chief of Staff

Council Ordinance/Resolution Request

TO Laura Drewry, Richmond City Attorney

THROUGH LaTasha S. Holmes, Council Chief of Staff

FROM Tamiya Lunsford, Council Budget Analyst
Office of the Council Chief of Staff

COPY Stephanie Lynch, 5th District Council Member
Kristen Nye, 4th District Council Member
Tabrica Rentz, Deputy City Attorney
Adam Poser, Deputy Council Chief of Staff
Amy Robins, 5th District Liaison
Timmy Siverd, 4th District Liaison

DATE March 1, 2024

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TITLE: Notifying & Refund Taxpayers of Credits on ALM/BPOL Accounts

This is a request for the drafting of an **Ordinance** ☒ **Resolution** ☐

REQUESTING COUNCILMEMBER/PATRON

Councilmember Stephanie Lynch
& President Kristen Nye

SUGGESTED STANDING COMMITTEE

Finance & Economic Development
Standing Committee

ORDINANCE/RESOLUTION SUMMARY

To amend city code to notify taxpayers of Admissions, Lodging, and Meals (ALM) Taxes and Businesses, Professional and Occupational License (BPOL) of any credits/overpayments on their accounts and invite them to apply for a refund within 90 days of the credit becoming available.

BACKGROUND

The patrons request legislation requiring the Finance Department to notify taxpayers of credits on their accounts for Admissions, Lodging, and Meals

(ALM) Taxes and Businesses, Professional and Occupational License (BPOL) Taxes.

Currently, taxpayers are not notified of credits/overpayments on accounts. According to City of Richmond Code Article IV- Tax Collections Sec 26-298:

Whenever the Director of Finance determines that any taxes due under this chapter have been erroneously assessed or that payments have been remitted in excess of the taxes due the City, the Director shall refund such erroneous or excess tax payments with interest at the same rate as charged by the City for delinquent or omitted tax payments.

Neither State nor City code currently require the City to inform the taxpayer that they have any credits. State code requires an application be submitted to receive a refund. City code requires businesses receive a refund with compounded interest on overpayments.

The requested introduction date for these amendments is March 11, 2024.

FISCAL IMPACT STATEMENT

Fiscal Impact Yes ☒ No ☐

Budget Amendment Required Yes ☐ No ☒

Estimated Cost or Revenue Impact

Note: City code requires businesses receive a refund with compounded interest on overpayments which could total a significant amount to the taxpayer over time.

Attachment/s Yes ☐ No ☒