



Albemarle County

Legislation Text

File #: 22-258, **Version:** 1

AGENDA DATE: 4/20/2022

TITLE:

Public Hearing to Consider the Adoption of an Ordinance to Increase the Food and Beverage Tax Rate

SUBJECT/PROPOSAL/REQUEST: Public hearing to consider the adoption of an ordinance to amend County Code Chapter 15, Taxation, Article 10, Food and Beverage Tax, to increase the food and beverage tax rate

ITEM TYPE: Regular Action Item

STAFF CONTACT(S): Richardson, Hudson, Bessette, Birch, Sumner, Lin

PRESENTER (S): Nelsie Birch

LEGAL REVIEW: Yes

REVIEWED BY: Jeffrey B. Richardson

BACKGROUND: During the 2020 General Assembly session, Virginia counties received enabling authority to increase the taxation amount on several taxing vehicles including food and beverage tax. Under the legislation, counties are authorized to impose a food and beverage tax up to six percent. Further, the legislation removed the requirement to hold a referendum before imposing such tax.

STRATEGIC PLAN: Mission - To enhance the well-being and quality of life for all community members through the provision of the highest level of public service consistent with the prudent use of public funds.

DISCUSSION: The proposed ordinance (Attachment A) would revise Chapter 15, Taxation, Article 10, Food and Beverage Tax, to increase the food and beverage tax rate from four percent to six percent, effective July 1, 2022.

The proposed ordinance (Attachment A) will be presented to the Board for adoption on May 4, 2022 as part of the FY 23 budget-related ordinances.

BUDGET IMPACT: Increasing the food and beverage tax rate would increase tax revenues. For FY 23, the budgetary impacts of these taxes estimated to be \$5.1M and are incorporated into the FY 23 proposed budget.

RECOMMENDATION:

Staff recommends that the Board hold a public hearing on the attached proposed ordinance (Attachment A), which will be presented to the Board for adoption on May 4, 2022.

ATTACHMENTS:

A - Food and Beverage Tax Proposed Ordinance