

corporate tax

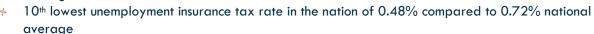
Incentives

Local businesses and residents enjoy the benefits of Virginia's stable tax structure and tax rates, cost of living and other business costs that in many cases fall below the national average.

Business Costs

Virginia has low utility rates, workforce and building costs, contributing to the region's attractiveness from a cost standpoint in comparison to other locations.

- Building costs in the MSA are just 87.1 percent of the national average
- → 4th lowest average workers' compensation costs in the nation with average of \$0.81 per \$100 payroll is 40% lower than the national average of \$1.34



- Cost of living in the region's communities, based on the local prices of food and other common goods, is 97.1 compared to the national index of 100
- Right to work: Employees do not automatically become a union member as a condition of hiring, heavily reducing union membership and collective bargaining by employees
- ♦ Compare Virginia and the Richmond Metro to other states and metro areas

Taxes

Virginia's tax climate and cost structures has earned it a consistent place near the top of "best states for business" rankings. This consistent recognition comes from the consistent tax structures. For instance, the 6% corporate income tax rate has not increased in over 40 years.

Sales & Use Tax

Level	Virginia	U.S. (Median)	South Atlantic (Median)
State	4.30%	5.75%	5.75%
Local	1%	N/A	N/A
Average State + Local	5.30%	6.80%	6.07%

Income Tax

State	Rate
Corporate income tax	6%
Franchise tax	None
Personal	Rate
First \$3,000	2%
\$3,001 - \$5,000	3% + \$60
\$5,001 - \$17,000	5% + \$120
\$17,001+	5.75% + \$720



Local Taxes

Community	P	Profiles	Commissioner of Revenue
Colonial Heights	<u>Manufacturers</u>	Non-Manufacturers	<u>Website</u>
Hopewell	<u>Manufacturers</u>	Non-Manufacturers	<u>Website</u>
Petersburg	<u>Manufacturers</u>	Non-Manufacturers	<u>Website</u>
Chesterfield	<u>Manufacturers</u>	Non-Manufacturers	<u>Website</u>
Dinwiddie	<u>Manufacturers</u>	Non-Manufacturers	<u>Website</u>
Prince George	<u>Manufacturers</u>	Non-Manufacturers	<u>Website</u>
Surry	<u>Manufacturers</u>	Non-Manufacturers	<u>Website</u>
Sussex	<u>Manufacturers</u>	Non-Manufacturers	<u>Website</u>

Communities Sales Taxes

Community	Base State Sales Tax	Base Local Sales Tax	Groceries State	Groceries Local	Meals	Lodging
Colonial Heights	4.3%	1%	1.5%	1%	6.0%	8.0%
Hopewell	4.3%	1%	1.5%	1%	5.5%	8.0%
Petersburg	4.3%	1%	1.5%	1%	6.0%	6.0%
Chesterfield County	4.3%	1%	1.5%	1%	N/A	8.0%
Dinwiddie County	4.3%	1%	1.5%	1%	4.0%	5.0%
Prince George County	4.3%	1%	1.5%	1%	4.0%	5.0%
Surry County	4.3%	1%	1.5%	1%	N/A	N/A
Sussex County	4.3%	1%	1.5%	1%	N/A	2.0%





Local Business & Property Taxes

	Real Estate*	Machinery & Tools Tax	Tax	Non-Manufacturers' Tan Personal Property (Busi Furniture & Fixtures)	angible usiness es)*		Busir	Business Licenses**	****
Community	Nominal Tax Rate	Assessment Ratio	Nominal Tax Rate	Assessment Ratio	Nominal Tax Rate	Retailers	Financial Services	Business Services	Wholesalers & Distributors
City of Colonial Heights	\$1.14	90% year 1, reduced by 10% per year (min. 40%)	\$2.00	60% year 1, reduced by 10% per year (min. 20%)	\$3.50	0.2	0.57	0.35	0.05
City of Hopewell	\$1.13	25%	\$3.05	60% year 1, reduced by 10% per year (min. 20%)	\$3.50	0.2	0.58	0.36	0.25
City of Petersburg	\$1.35	40% year 1, reduced by 5% per year (min. 20%)	\$3.80	40% year 1, reduced by 5% per year (min. 20%)	\$4.40	0.2	0.58	0.32	0.25 first \$100,000; 0.15 next \$100,000; 0.10 on remainder
Chesterfield County	\$0.96	25% years 1-10, 20% years 11-20, 15% years 21+, 0% idle per unused equipment	\$1.00	70% year 1, 50% year 2, reduced by 10 per year (min 10%)	\$3.60	0.19	0.2	0.2	0.1
Dinwiddie County	\$0.79	60% year 1, reduced by 10% per year (min. 20%)	\$3.30	20%	\$4.90	0.16	0.45	0.3	0.05
Prince George County	\$0.86	60% year 1, reduced by 10% per year (min. 20%)	\$1.50	60% year 1, reduced by 10% per year (min. 20%)	\$4.25	0.15	0.2	0.2	Z/A
Surry County	\$0.73	60% year 1, reduced by 10% per year (min. 20%)	\$1.00	60% year 1, reduced by 10% per year (min. 20%)	\$4.00	0.15	0.3	0.2	0.05
Sussex County	\$0.58	100% years 1-5, 80% years 6-15, 50% years 16-25, 20% years 26+	\$2.43	90% year 1, reduced by 10% per year (min. 10%)	\$4.85	N/A	N/A	N/A	N/A

Sources: Localities, Virginia Economic Development Partnership, August 2017

* Nominal Tax Rates are applied per \$100 of assessed valuation. M&T and Personal Property taxes are assessed on original cost of equipment/property.

**Rates are per-\$100 of gross receipts, based on the threshold amount for that locality, generally \$12-15K. Some localities may charge a fee for the issuance of a license and/or charge different tax rates based on the amount of the business' gross receipts or purchases. Sussex does not impose business license taxes, but instead a 1% merchants' capital tax.

