Virginia ❤ Tourists

Tourism in Virginia

- Tourism is one of the five largest industries in Virginia
- Revenues in 2014 exceeded $22.4 billion
- This was an increase of 4.1% over 2013
- In 2014, tourism-related jobs estimated at 216,000
- More than $1.5 billion were generated in state and local revenue

Source: "Virginia Tourism Revenues Expected to Exceed $22.4 Billion in 2014," news release on www.virginia.org

Virginia Tourism Corporation

- Promotes tourism in Virginia
- Famous for the slogan “Virginia is for Lovers”
- Website is www.vatc.org
- Provides economic data on domestic travel in Virginia, including a breakdown by locality
- Locality data can be summarized in report form showing admissions tax, food service tax and lodging tax

Top five localities for tourism

- Overall Virginia ranks 9th in domestic traveler spending in the US
- The top five localities for tourism in 2013 were:
  - Arlington County
  - Fairfax County
  - Loudoun County
  - Virginia Beach
  - Henrico County

Pertinent Code Sections

And Other Authoritative Literature

Business License

Section 58.1-3703 (C) (7)

No county, city or town shall impose a license fee or levy any license tax:

7. Upon any person, firm or corporation for engaging in the business of renting, as the owner of such property, real property other than hotels, motels, motor lodges, auto courts, tourist courts, travel trailer parks, campgrounds, bed and breakfast establishments, lodging houses, rooming houses, and boardinghouses …

Business License

Section 58.1-3703.1

1. License requirement. Every person shall apply for a license for each business or profession when engaging in a business in this jurisdiction if (i) the person has a definite place of business in this jurisdiction; (ii) there is no definite place of business anywhere and the person resides in this jurisdiction; or (iii) there is no definite place of business in this jurisdiction but the person operates amusement machines or is classified as an itinerant merchant, peddler, carnival, circus, contractor subject to § 58.1-3715, or public service corporation.

Transient Occupancy Tax - County

Section 58.1-3819 (A)

Any county, by duly adopted ordinance, may levy a transient occupancy tax on hotels, motels, boarding houses, travel campgrounds, and other facilities offering guest rooms rented out for continuous occupancy for fewer than 30 consecutive days.

Transient Occupancy Tax - City

Section 58.1-3840

A. The provisions of Chapter 6 (§ 58.1-600 et seq.) to the contrary notwithstanding, any city or town having general taxing powers established by charter pursuant to or consistent with the provisions of § 15.2-1104 may impose excise taxes on cigarettes, admissions, transient room rentals, meals, and travel campgrounds.

Sales Tax

Section 58.1-602

The terms "retail sale" and a "sale at retail" shall specifically include the following: (i) the sale or charges for any room or rooms, lodgings, or accommodations furnished to transients for less than 90 continuous days by any hotel, motel, inn, tourist camp, tourist cabin, camping grounds, club, or any other place in which rooms, lodging, space, or accommodations **are regularly furnished to transients for a consideration…**

Sales Tax

PD 07-8: Retail Sales and Use Tax

Rental of private residences are deemed occasional sales for the two week period

Business acted as broker between car racing fans and private homeowners who wanted to rent their residences for two weekends a year.

Broker not required to collect and remit sales tax because neither owned nor operated accommodations.

Sales Tax (cont.)

Property owner not required to collect and remit because:

- Occasional sale (three or fewer times a year)
- Rental "of rooms in a private residence does not qualify as a retail sale" because the space is not regularly furnished to transients.

(Taxpayer was referred to CORs regarding other local taxes.)

Business Personal Property

Section 58.1-3503 (A)

A. Tangible personal property is classified for valuation purposes according to the following separate categories which are not to be considered separate classes for rate purposes:

17. All tangible personal property employed in a trade or business other than that described in subdivisions 1 through 16 of this subsection, which shall be valued by means of a percentage or percentages of original cost.

Business Personal Property

Section 58.1-3504

A. The governing body of any county, city or town may, by ordinance duly adopted, exempt from taxation all of the above classes of household goods and personal effects.
B. Notwithstanding any provision set forth above, household appliances in residential rental property used by an individual or by a family or household incident to maintaining an abode shall be deemed to be fixtures and shall be assessed as part of the real property in which they are located.

Zoning

Requirements vary by locality:

- Roanoke City recently changed its zoning ordinance to allow under a special use permit. (“Roanoke eases way for AirBnB rentals,” Roanoke Times, July 6, 2015.)
- Richmond City and Chesterfield County currently do not allow. (“Renting home for Sept. bike race not a way to get rich,” Richmond Times-Dispatch, July 18, 2015.)

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