

# UTILITY TAX ORDINANCE

AMENDED ON  
SEPTEMBER 5, 2000

AMENDED ORDINANCE TO IMPOSE A CONSUMER UTILITY TAX ON  
LOCAL TELECOMMUNICATION SERVICE, GAS,  
WATER, HEAT, LIGHT AND POWER COMPANIES  
PURSUANT TO ARTICLE III, CHAPTER 38, §§ 58.1-3812  
OF THE CODE OF VIRGINIA, 1950, AS AMENDED

WHEREAS pursuant to ordinance adopted July 3, 1981, the Russell County Board of Supervisors adopted an ordinance imposing a Consumer Utility Tax on Local Telecommunication service, Electrical and Gas consumers.

BE IT ORDAINED by the Board of Supervisors of Russell County, Virginia that pursuant to Article III, Chapter 38, §§ 58.1-3812 of the Code of Virginia, 1950, as amended.

Section 1-1001. Telecommunication services, tax rate, levy, procedure as to payment.

There is hereby imposed and levied by the county upon each and every consumer of local telecommunication service a tax in the following amount.

A. 1. On a taxable purchase of local telecommunication service, the tax shall be in the amount of twenty (20) percent of the monthly gross charge to a residential consumer. This rate shall not be applicable to any amount so charged in excess of fifteen dollars (\$15.00) per month for a residential consumer.

2. On purchase of local telecommunications service by a commercial user, the tax shall be twenty (20) percent of the first fifteen dollars (\$15.00) made by the seller against the commercial consumer with respect to such service.

3. On purchase of local telecommunications telephone service by an industrial user, the tax shall be twenty (20) percent of the first fifteen dollars (\$15.00) made by the seller against the industrial consumer with respect to such service.

B. On a taxable purchase of mobile local telecommunication, the tax shall be in the amount of ten (10) percent of the monthly gross charge. The rate shall not be applicable to any amount so charged in excess of thirty dollars (\$30.00) per month for each mobile service consumer.

C. Bills shall be considered monthly bills if submitted twelve (12) times annually for a period of approximately one month or portion thereof. In case bills are submitted by the seller for two (2) months' service, the tax shall be computed at twenty (20) percent of the first thirty dollars (\$30.00), for residential, commercial and industrial purposes.

D. In the event the bills shall be rendered for utility services herein stated other than one or two (20) months, the tax imposed hereby shall be computed pro rata as if such bill

were rendered on a monthly basis with the rates and maximums herein named applied.

Section 1-1001.1. (Effective until January 1, 2001) Water or heat, light and power companies, tax rate, levy, procedure as to payment.

There is hereby imposed and levied by the County upon each and every consumer of the utility services provided by any water or heat, light and power company or other corporation within the provisions of Virginia Code § 58.1-2600 et seq., a tax in the following amount:

- A. On taxable purchase of such utility, the tax shall be in the amount of twenty (20) percent of the monthly amount charged to the consumer. This rate shall not be applicable to any amount so charged in excess of fifteen dollars (\$15.00) per month to residential customers.
- B. On taxable purchase of such utility by a commercial user, the tax shall be in the amount of twenty (20) percent of the first two hundred dollars (\$200.00). This rate shall not be applicable to any amount so charged in excess of two hundred dollars (\$200.00) made by the seller against the commercial consumer with respect to such service.
- C. On taxable purchase of service by an industrial user, the tax shall be twenty (20) percent of the first one thousand dollars (\$1,000.00) and two (2) percent of the remaining charge (exclusive of any federal or state tax thereon) made by the seller against the industrial consumer with respect to such service.

Section 1-1001.1. (Effective January 1, 2001) Water or heat, light and power companies, tax rate, levy, procedure as to payment.

There is hereby imposed and levied by the County upon each and every consumer of the utility services provided by any water or heat, light and power company or other corporation within the provisions of Virginia Code § 58.1-2600 et seq., a tax in the following amount:

- A. On taxable purchase of such utility by residential customers, the tax rate charged to residential customers shall be \$0.01515 per kilowatt hour (kwh) with a minimum tax of \$1.50 per month and a maximum tax of \$3.00 per month.
- B. On taxable purchase of such utility by commercial customers, the tax rate charged to commercial customers shall be \$0.00710 per kilowatt hour (kwh) with a minimum tax of \$1.50 per month and a maximum tax of \$20.00 per month.
- C. On taxable purchase of such utility by industrial customers, the tax rate charged to industrial customers shall be \$0.01300 per kilowatt hour (kwh) for the first 15,385 kwh and a rate of \$0.00070 for all kwh in excess of 15,385.

Section 1-1001.2 (Effective until January 1, 2001) Natural gas service, tax rate, levy, procedure as to payment.

There is hereby imposed and levied by the County upon each and every consumer of the utility services provided by any natural gas company or other corporation within the provisions of Virginia Code § 58.1-2600 et seq., a tax in the following amount:

A. On taxable purchase of such gas delivered in the pipe line, the tax shall be in the amount of twenty (20) percent of the monthly amount charged to the consumer. This rate shall not be applicable to any amount so charged in excess of fifteen dollars (\$15.00) per month to residential customers.

B. On taxable purchase of such gas delivered in the pipe line, the tax shall be in the amount of twenty (20) percent of the monthly amount charged to commercial and industrial consumers. This rate shall not be applicable to any amount so charged in excess of thirty seven and 50/100 (\$37.50) dollars.

SECTION 1-1001.2 (Effective January 1, 2001) Natural gas service, tax rate, levy, procedure as to payment.

There is hereby imposed and levied by the County upon each and every consumer of the utility services provided by any natural gas company or other corporation within the provisions of Virginia Code § 58.1-2600 et seq., a tax in the following amount:

A. On taxable purchase of such gas delivered in the pipe line, the tax shall be in the amount of \$0.144 per CCF delivered monthly to residential consumers. The maximum amount of tax imposed on residential consumers shall be limited to Three (\$3.00) Dollars per month.

B. On taxable purchase of such gas delivered in the pipe line, the tax shall be in the amount of \$0.088 per CCF delivered monthly to commercial and industrial consumers. The maximum amount of tax imposed on commercial and industrial consumers shall be limited to Seven and 50/100 (\$7.50) Dollars per month.

Section 1-1002. Duties of seller.

A. It shall be the duty of every utility service seller to act as the county's tax collection agent and collect from the consumer the county tax at the same time it collects the purchase price for its services. The taxes collected during each calendar month, or billing period, shall be reported by each seller to the Commissioner of Revenue; and each seller shall remit the amount of tax shown by said report to have been collected to the County Treasurer on or before the last day of the second calendar month thereafter, together with the name and address of any purchaser who has refused to pay his/her tax.

The required reports shall be in the form prescribed by the Commissioner of Revenue.

B. Each and every seller shall keep complete records showing all purchases in the County, which records shall show the price charged against each purchaser with respect to each purchase, the date thereof, and the date of payment thereof, and the amount of tax imposed hereunder. Such record shall be kept open for inspection by the duly authorized agents of the County at reasonable times; and the duly authorized agents of the County shall have the right, power and authority to make such transcripts thereof during the times they may desire.

Section 1-1003. Effective date of levy.

Written notice by certified mail from the County to the registered agent of the utility corporation that is required to collect the tax shall be given. The tax rates and structure shall as set forth herein shall become effective sixty days subsequent to the written notice and in no event later than January 1, 2001.

Section 1-1004. Exemptions.

A. The United States of America, the Commonwealth of Virginia, and the political subdivisions, boards, commissions and authorities thereof, are hereby exempted from payment of the tax imposed and levied by this Ordinance with respect to the purchase of utility services used by such governmental agencies.

B. The tax imposed and levied herein shall not apply within the limits of any incorporated town located within such county when said town imposes a town tax on consumers of utility service or services provided by any corporation coming within the provisions of Article 11 Chapter 26 Section 58.1-2600 et seq., Code of Virginia, 1950, as amended.

Section 1-1005. Violations; penalties.

Any purchaser of utility service or consumer of local telecommunication services failing, refusing or neglecting to pay the tax hereby imposed or levied and any seller or service provided violating the provisions hereof, and any officer, agent or employee of any seller or service provided violating the provisions hereof, shall upon conviction, be subject to a civil penalty twenty-five dollars (\$25.00) to be paid to the Treasurer of Russell County. Each failure, refusal, neglect or violation shall constitute a separate offense.

MEMBERS

Frank W. Horton, Chairman  
Danny L. Brown, Vice-Chairman

VOTE

<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
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D. Carter McGlothlin  
Clarence E. Ball  
Ralph C. Maples, Jr.  
Robert J. Keene

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Adopted this the 5th day of September, 2000 after due legal notice being provided in the Lebanon News on August 23, 2000 and August 30, 2000 and a public hearing being held on September 5, 2000.

FRANK W. HORTON, CHAIRMAN  
Russell County Board of Supervisors

ATTEST:

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JAMES A. GILLESPIE, COUNTY ADMINISTRATOR  
Russell County, Virginia