



SALT: Indirect Tax Service Offerings

Virginia Business, Professional, and Occupational License Tax



The Basics of BPOL

The Virginia Business, Professional, and Occupational License ("BPOL") tax is imposed by over 100 local government authorities on the gross receipts of a company operating from a definite place of business within the locality. The tax does include any adjustments for expenses incurred or gross profit. BPOL tax is imposed on most businesses with very few excludable revenues.

Lack of Clarity Leads to Confusion

The BPOL tax has been in existence for over 100 years, yet it remains one of the most misunderstood and misapplied taxes in the state of Virginia. Terms such as "definite place of business," "apportionment," "exclusions," "exemptions," and "ancillary" all add to the confusion companies like yours face when trying to comply with the BPOL provisions. Adding to the uncertainty is the fact that the tax is administered at the local level, not by the state of Virginia.

All too often, this tax is misunderstood both by companies and the local jurisdictions alike, leading to:

- ▶ overpayment;
- ▶ overassessment; and
- ▶ misapplication.

How Can Cherry Bekaert Help?

There have been a number of developments in the past couple of years that offer potential opportunities for companies to reduce and recover BPOL tax.

Cherry Bekaert has the experience to assist with reducing your BPOL tax liabilities to the lowest amount allowed under the current law. We will analyze your operations to determine if there are opportunities to reduce the taxes paid by using different apportionment methods, business classification adjustments and overall reporting methodologies. Additionally, we will use the results of the review to request refunds of overpaid BPOL tax from the previous years.

Let us be your guide forward



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