

2018 Business License Renewal Instructions

The Prince William County Business License Renewal Due Date is March 1, 2018.

The license tax for most businesses is based on "Business Gross Receipts" for the business location times the applicable tax rate. It is not based on taxable income or net income (receipts after expenses). Report business gross receipts on Line 2, unless your license class has a fixed tax amount.

"Business Gross Receipts" means the whole, entire, total receipts, without deduction. The Code of Virginia defines certain amounts derived from business activity as not being part of gross receipts. The most common are:

- Sales or use tax
- Returns and allowances granted to customers
- Proceeds of a loan transaction in which the licensed business is the obligor
- Return of principal of a loan transaction in which the licensed business is the creditor
- Return of principal upon the sale of a capital asset
- Excise tax on cigarettes
- Receipts attributable to business conducted in another state or foreign country in which the taxpayer is liable for an income or other tax based upon income
- Receipts attributable to business conducted in another jurisdiction in the Commonwealth of Virginia in which the licensed business has taxable situs

See Code of Virginia Title 58.1, Chapter 37 for more information, including a complete list of exclusions and deductions.

In the event your business gross receipts are less than \$500,000 and no license tax is due, you still need to file the renewal form and enter your business gross receipts for 2017. Once you have received your first business license, you are considered "in business" until you declare in writing that your business has ended.

Renewing Your Business License Online Using the Taxpayer Web Portal

If you are eligible to file your renewal application on-line, there will be a message at the bottom of the renewal form under the signature line.

After filing on-line, and then paying the license tax due, if any, you can print your license directly from the website.

Construction, Repair and Facility Improvement Contractors

Contractors must include a copy of their Virginia-issued *Contractor's License* and the *Contractor's Certificate of Workers' Compensation Insurance* in order to be issued a Prince William County Business License. If you filed the *Certificate of Workers' Compensation Insurance* online using the Virginia Workers' Compensation Commission website, please enclose a copy of your acknowledgement in lieu of the completed form.

Contractor's claiming exemption from the state Contractor license requirement must instead file an affidavit attesting to their exemption from licensure and the reason. A form for this purpose is available at www.pwcgov.org/tax (Select Businesses, then Business License)

If Your Business Has Closed or No Longer Is Active in Prince William County

If you have ceased doing business in Prince William County or the business location identified on the application has closed, please return your blank application along with a letter (on business letterhead if possible) stating the date your business ended.

Business Tangible Property Filing Required

You will be receiving a 2018 Business Tangible Personal Property Tax return mailed separately to all businesses during the month of February. Businesses must file a return declaring tangible personal property located in the County on January 1, 2018 reporting the total purchase cost by year purchased. Business Tangible Personal Property Tax returns must be filed by April 16, 2018. If you would like to download the form and file it along with your business license application, please visit our web site at www.pwcgov.org/tax. If you are eligible to file your business license renewal application on-line, you can file your business tangible property return on-line as well.

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How to Determine Late Charge

If you owe a license tax and fail to pay the license tax in full by March 1, 2018, you will be assessed late charges. Below is an example of how to calculate the late payment penalty and interest:

License Tax Due		\$600.00
Calculate 10% Late Payment Penalty	$\$600.00 \times 0.1 = \60.00	
Add Late Payment Penalty to Tax		\$60.00
License Tax and Penalty		\$660.00
Calculate Daily Interest (10% per annum)	$\$660.00 \times 0.1 / 365 = \0.18 per day	
Calculate Interest For Number of Days Late (example is 25 days late)	25 days x \$0.18 = \$4.50	
Add Interest Amount to Tax + Penalty		\$4.50
Total Due Including Late Charge		\$664.50

Firms Receiving Identifiable Federal Appropriations for Research and Development

Any person, firm, or corporation designated as the principal or prime contractor receiving identifiable federal appropriations for research and development services as defined in § 31.205-18 (a) of the Federal Acquisition Regulation in the areas of computer and electronic systems, computer software, applied sciences, economic and social sciences, and electronic and physical sciences shall be subject to a license tax rate not to exceed three cents per \$100 of such federal funds received in payment of such contracts. To be eligible for the reduced rate, you must provide documentation along with your renewal application. The reduction is applied only on gross receipts attributable to such contracts. See Code of Virginia § 58.1-3706(D)(1) for more information.

Questions

Contact us at 703-792-6710 or by email at TaxpayerServices@pwcgov.org.