



**Caroline County, Virginia  
Fiscal Year 2006-2007 Adopted Budget**

**Major Revenue Sources – Other Local Taxes**

Caroline County levies a variety of Other Local Taxes to support the public services it provides. In total, Other Local Taxes are expected to generate \$5,848,900. \$3,425,000 of this amount will go to the General Fund where the funds will be used to finance a broad array of general government services; \$1,686,000 is designated for the support of school and general government debt; \$737,900 will be used for special restricted purposes. The types of taxes the County may levy, the rate and method of collection, and other aspects of the process are limited by the Constitution and Code of the State of Virginia. Following is a description of the Other Local Taxes collected by Caroline County.

**Sales and Use Tax** 1% of the 5% sales tax collected on retail sales occurring in Caroline County is a local option sales tax and is returned to the County for general government purposes. The revenue from the remaining 4% is retained by the State and used for general government purposes, distributed to local public schools and used for special transportation projects. Caroline County expects to receive approximately \$1,285,000 in local sales tax revenue next fiscal year.

**Consumer Utility Taxes** All consumers of gas, electric and telephone utility services in the County must pay a tax on their service charges up to designated maximum limits. The tax is collected by the service provider along with their service charges and remitted to the County. The County expects to receive \$1,171,000 in revenue from this source in the 2006-2007 budget year and has committed the funds to payment of debt service costs and support of the County's E-911 Emergency Dispatch Center.

**Meals Tax** Purchasers of prepared food and beverages in the County must pay a tax of 4% of the cost. The provider of the product collects the tax and transmits the revenue to the County. \$810,000 in Meals Tax revenue is projected next year. The County has committed these funds to debt service support.

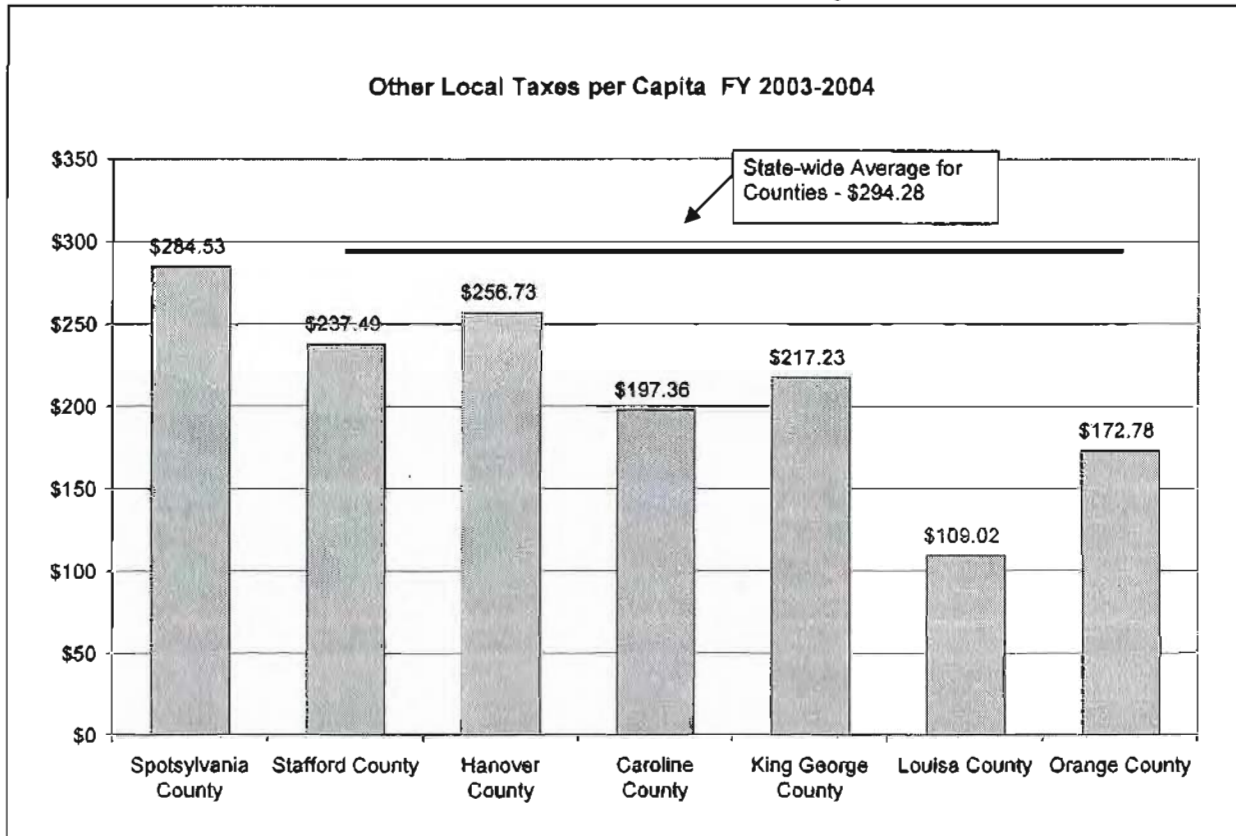
**Business, Professional & Occupational License Tax** All persons conducting a business in the County must register for a business license and pay a license tax. Licenses must be renewed annually and the amount of tax to be paid is determined by multiplying the gross receipts the business receives by a rate that varies by the type of business. There is a \$30 minimum tax. Business license taxes are anticipated to provide \$825,000 next fiscal year. The revenue goes to the General Fund.

**Motor Vehicle License Tax** Caroline County levies a motor vehicle license tax on all vehicles housed in Caroline County. Residents of the Towns of Bowling Green and Port Royal must pay a separate license tax to their town and do not pay the County tax. Taxes must be paid to the County Treasurer by April 1<sup>st</sup> each year. The base rate for most personal cars and trucks is \$23 with higher rates for larger vehicles. Revenue from motor vehicle license taxes has risen steadily in the last few years. Collections are projected to reach \$635,000 in the budget year and will be deposited in the County's General Fund.

**Others** A 5% transient occupancy tax is collected on hotel, motel and campground room and space rental charges in the County. The revenue from 2% of the tax goes to the General Fund and the remaining 3% is restricted by State law to be used for the promotion of tourism. For support of the 911 emergency dispatch service, the County collects a tax from telephone service users of \$1.25 per line per month. The County also receives and deposits in the General Fund, revenue from taxes collected on the recording of documents and wills with the Clerk and a bank stock tax. The County also collects a franchise tax on cable television service providers that will be revised when a new cable television ordinance and franchise agreements are expected to take effect later this year.



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**Other Local Taxes by Type  
Fiscal Years 2002-03 Through 2006-2007**

