

# 2018 Business Taxes

The following is a summary of the taxes to which businesses located within the Town of Leesburg are subject.

◆ **State Income Tax**

Any corporation having income from Virginia sources is required to file and report that income annually. The income tax rate is 6% of computed Virginia taxable income.

◆ **Business, Professional & Occupational License Tax**

Most businesses, including home based businesses, are subject to a gross receipts tax. The tax rate depends upon the type of business, but ranges from 0.10% to 0.25%. A separate fact sheet provides more detailed information.

◆ **Real Property Tax**

Businesses located within the Town of Leesburg pay real property taxes to both Loudoun County and the town. Real property tax rates for 2018 are listed below. Rates are per \$100 of assessed fair market value. New tax rates are adopted in April of each year.

<b>Town of Leesburg</b>	<b>\$0.184</b>
<b>Loudoun County</b>	<b>\$1.085</b>
<b>Total</b>	<b>\$1.269</b>

◆ **Tangible Personal Property Tax**

The tax on tangible personal property (manufacturing equipment and tools, office equipment, computers, etc.) is based on the original total capitalized cost and the age of the property. Property is taxed at 50% of cost the first year and is reduced 10% each year thereafter until a minimum of 10% is reached. 2018 tax rates (per \$100 of valuation) are listed below.

	<b>Nominal Tax Rate</b>
<b>Town of Leesburg</b>	<b>\$1.00</b>
<b>Loudoun County</b>	<b>\$4.20</b>
<b>Total</b>	<b>\$5.20</b>

◆ **Bank Franchise Tax**

Banks located within the Town pay a franchise tax of \$0.80 per \$100 of net capital.

◆ **Consumer Taxes**

Consumer taxes which business located in Leesburg may pay or collect include Sales & Use Tax (6% combined state & local rate), Meals & Beverage Tax (3.5%), Hotel Tax (8%), Telecommunications Tax (16% on the first \$300 of monthly charges), and Utilities Tax (up to \$48 per month on electrical and natural gas service).

◆ **Inventory Tax**

Manufacturers' inventory is not subject to taxation in Virginia. Neither the Town of Leesburg nor Loudoun County imposes a capital tax on merchants.