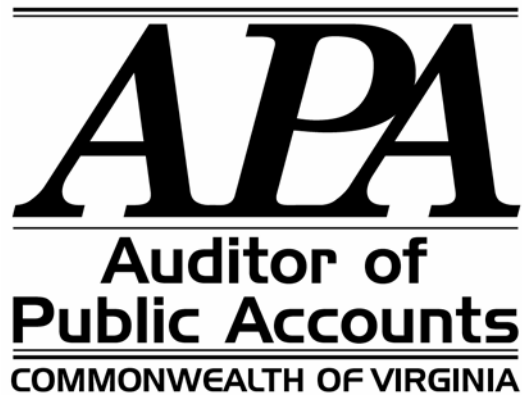


**REPORT OF STATE AND LOCAL
COMMUNICATION SERVICE TAXES AND FEES
FOR THE YEAR ENDED
JUNE 30, 2005**



EXECUTIVE SUMMARY

In accordance with Chapter 126 of the 2005 Acts of Assembly (HB 2880), the Auditor of Public Accounts has determined the amount of telecommunication tax and fee revenues received by every county, city, and town included in the annual Comparative Report of Local Government Revenues and Expenditures for the fiscal year ended June 30, 2005. These communication tax and fee revenues include the gross receipts tax in excess of 0.5 percent, the local consumer utility tax, video program excise tax, cable franchise fee, and the 911 taxes and fees. The revenues in this report use collections reported by individual local governments. The revenue collections from 170 reporting local governments for fiscal year 2005 totaled \$425.8 million. In addition, the Wireless 911 Services Board reported receiving 911 fees totaling \$38.9 million.

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Commonwealth of Virginia

Walter J. Kucharski, Auditor

**Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218**

December 1, 2005

The Honorable Harry J. Parrish
Chairman, House Finance Committee

The Honorable John H. Chichester
Chairman, Senate Finance Committee

Mr. Kenneth W. Thorson
Commissioner, Department of Taxation

Dear Sirs:

Chapter 126 of the 2005 Acts of Assembly (HB 2880) requests that the Auditor of Public Accounts determine the tax and fee revenues received by local governments from certain communication services for the fiscal year ending June 30, 2005. All counties, cities, and towns included in the annual Comparative Report of Local Government Revenues and Expenditures reported the amounts collected from service providers for the gross receipts tax in excess of 0.5 percent, local consumer utility taxes, video program excise taxes, cable franchise fees, and 911 taxes.

This report includes communication tax and fee revenues that the state and local governments collect under the following statutory authority:

- local consumer utility tax on consumers of local exchange and wireless services (§ 58.1-3812);
- gross receipts tax in excess of 0.5 percent (§ 58.1-3731);
- state and local E-911 taxes and fees (§§ 58.1-3813.1 and 56-484.12);
- cable television system franchise fee (§15.2-2108);
- video programming excise tax (§ 58.1-3818.4); and
- local consumer utility tax on consumers of cable services (local general charters).

The communication tax and fee data we received from 170 localities totaled \$425.8 million. Also, the Wireless 911 Services Board reported receiving 911 fees totaling \$38.9 million. We performed analyses and other verification work to determine that the amounts reported by the localities are reasonable.

The attached schedule lists the amounts reported by locality and tax type. A summary of the data is included below.

Consumer utility taxes on telephone service	\$254,880,183
Wireline 911 service taxes	101,262,057
Gross receipt tax in excess of 0.5 percent	5,533,668
Consumer utility taxes on cable service	10,853,633
Cable franchise fees	53,217,795
Video program excise taxes	<u>7,498</u>
 Total collected by localities	 425,754,834
 Wireless 911 fees	 <u>38,908,912</u>
 Total revenues from communication services	 <u>\$464,663,746</u>

We appreciate the cooperation received from the local governments that responded to our requests for information.

AUDITOR OF PUBLIC ACCOUNTS

WHC/kva

Schedule of Communication Service Taxes and Fees
Reported by Local Governments

Locality	Local Consumer Utility Tax on Telephone Service	Local E-911 Service Tax	Gross Receipt Tax (over 0.5%)	Local Consumer Utility Tax on Cable Service	Cable Franchise Fee	Video Program Excise Tax	Total per Locality
Counties:							
Accomack	\$ 1,553,093	\$ 264,575	\$ -	\$ -	\$ 73,301	\$ -	\$ 1,890,969
Albemarle	3,457,833	1,128,383	-	-	-	-	4,586,216
Alleghany	150,721	133,069	-	-	28,097	-	311,887
Amelia	249,833	64,757	-	-	8,190	-	322,780
Amherst	778,325	466,633	-	-	107,886	-	1,352,844
Appomattox	302,438	218,439	-	-	7,433	-	528,310
Arlington	-	4,677,408	1,172,669	-	2,128,092	-	7,978,169
Augusta	1,917,789	696,997	-	-	-	-	2,614,786
Bath	-	-	-	-	-	-	-
Bedford	839,348	752,489	-	-	135,534	-	1,727,371
Bland	-	106,749	-	-	4,313	-	111,062
Botetourt	400,208	225,341	-	-	89,988	-	715,537
Brunswick	182,738	273,436	-	-	10,155	-	466,329
Buchanan	309,241	415,619	-	-	68,944	-	793,804
Buckingham	224,205	256,665	-	-	10,642	-	491,512
Campbell	962,261	458,286	-	-	97,276	-	1,517,823
Caroline	655,852	162,744	-	-	1,652	-	820,248
Carroll	354,759	245,030	-	-	52,760	-	652,549
Charles City	128,460	59,838	-	-	25,365	-	213,663
Charlotte	-	140,157	-	-	956	-	141,113
Chesterfield	8,466,355	3,738,525	-	-	3,134,764	-	15,339,644
Clarke	179,249	248,274	-	-	-	-	427,523
Craig	79,670	45,717	-	-	5,508	-	130,895
Culpeper	1,117,964	767,162	-	-	101,297	-	1,986,423
Cumberland	295,207	70,362	-	-	6,871	-	372,440
Dickenson	230,709	282,852	-	-	-	-	513,561
Dinwiddie	512,985	240,832	-	-	41,020	-	794,837
Essex	206,169	108,343	-	-	9,373	-	323,885
Fairfax	52,432,024	17,303,265	-	-	9,310,004	-	79,045,293
Fauquier	1,481,204	798,557	-	-	150,078	-	2,429,839
Floyd	359,440	241,140	-	-	3,661	-	604,241
Fluvanna	792,695	325,460	-	-	-	-	1,118,155
Franklin	1,331,092	532,621	-	-	210,584	-	2,074,297
Frederick	248,031	576,222	-	-	387,732	-	1,211,985
Giles	-	193,098	-	-	58,730	-	251,828
Gloucester	1,136,801	270,253	-	-	107,842	-	1,514,896
Goochland	768,299	131,762	-	-	54,867	-	954,928
Grayson	243,700	140,556	-	-	-	-	384,256
Greene	255,192	262,128	-	-	43,610	-	560,930
Greensville	119,980	44,579	-	-	23,385	-	187,944
Halifax	575,998	535,085	-	-	46,150	-	1,157,233
Hanover	2,816,015	1,579,291	-	-	709,937	-	5,105,243
Henrico	7,198,467	2,154,323	-	-	3,348,681	-	12,701,471
Henry	1,471,410	221,928	-	-	253,556	-	1,946,894
Highland	50,492	25,336	-	-	791	-	76,619
Isle of Wight	703,910	514,864	-	-	86,253	-	1,305,027
James City	793,939	278,600	-	-	659,277	-	1,731,816
King and Queen	111,600	74,914	-	-	4,250	-	190,764

Locality	Local Consumer Utility Tax on Telephone Service	Local E-911 Service Tax	Gross Receipt Tax (over 0.5%)	Local Consumer Utility Tax on Cable Service	Cable Franchise Fee	Video Program Excise Tax	Total per Locality
King George	125,863	227,097	-	-	35,470	-	388,430
King William	337,103	170,567	-	-	5,071	-	512,741
Lancaster	-	77,251	-	-	24,439	-	101,690
Lee	201,526	79,616	-	-	9,809	-	290,951
Loudoun	5,509,801	3,368,364	-	-	1,126,858	-	10,005,023
Louisa	-	352,848	-	-	18,056	-	370,904
Lunenburg	129,597	101,749	-	-	-	-	231,346
Madison	381,083	248,748	-	-	-	-	629,831
Mathews	209,629	127,512	-	-	38,921	-	376,062
Mecklenburg	-	585,020	-	-	12,046	-	597,066
Middlesex	198,527	190,177	-	-	29,615	-	418,319
Montgomery	939,052	146,276	-	-	-	-	1,085,328
Nelson	196,253	231,819	-	-	-	-	428,072
New Kent	132,397	197,476	-	-	24,395	-	354,268
Northampton	426,481	145,229	-	-	14,003	-	585,713
Northumberland	210,238	133,712	-	-	33,456	-	377,406
Nottoway	259,277	93,317	-	-	-	-	352,594
Orange	667,597	375,586	-	-	57,292	-	1,100,475
Page	-	362,189	-	-	-	-	362,189
Patrick	296,496	224,897	-	-	8,539	-	529,932
Pittsylvania	1,310,046	956,730	-	-	168,317	-	2,435,093
Powhatan	438,866	392,837	-	-	52,744	7,498	891,945
Prince Edward	209,531	55,879	-	-	13,053	-	278,463
Prince George	602,435	454,188	-	-	43,626	-	1,100,249
Prince William	14,374,049	2,956,863	-	-	3,251,899	-	20,582,811
Pulaski	579,061	141,893	-	-	63,034	-	783,988
Rappahannock	240,488	104,823	-	-	11,689	-	357,000
Richmond	159,215	91,663	-	-	7,679	-	258,557
Roanoke	2,356,671	1,051,050	-	-	871,166	-	4,278,887
Rockbridge	439,182	362,100	-	-	32,448	-	833,730
Rockingham	640,225	480,597	-	-	-	-	1,120,822
Russell	379,635	501,090	-	-	-	-	880,725
Scott	457,287	382,672	-	-	-	-	839,959
Shenandoah	691,930	515,659	-	-	-	-	1,207,589
Smyth	271,544	271,079	-	-	134,527	-	677,150
Southampton	455,230	140,154	-	-	23,386	-	618,770
Spotsylvania	5,189,225	1,342,415	-	-	610,476	-	7,142,116
Stafford	3,646,236	1,295,196	-	-	673,931	-	5,615,363
Surry	-	55,105	-	-	-	-	55,105
Sussex	63,088	121,114	-	-	-	-	184,202
Tazewell	27,870	374,685	-	-	-	-	402,555
Warren	606,264	372,251	-	-	134,999	-	1,113,514
Washington	685,403	306,016	-	-	177,266	-	1,168,685
Westmoreland	393,448	180,793	-	-	44,616	-	618,857
Wise	1,087,150	283,018	-	-	207,725	-	1,577,893
Wythe	501,227	320,163	-	-	19,407	-	840,797
York	-	728,098	-	-	652,046	-	1,380,144
Total for counties	142,471,927	64,130,245	1,172,669	-	30,240,809	7,498	238,023,148

Schedule of Communication Service Taxes and Fees
Reported by Local Governments

Locality	Local Consumer Utility Tax on Telephone Service	Local E-911 Service Tax	Gross Receipt Tax (over 0.5%)	Local Consumer Utility Tax on Cable Service	Cable Franchise Fee	Video Program Excise Tax	Total per Locality
Cities:							
Alexandria	8,109,841	630,531	254,909	-	1,141,815	-	10,137,096
Bedford	-	97,789	-	-	31,290	-	129,079
Bristol	301,454	103,039	-	-	161,549	-	566,042
Buena Vista	186,055	95,564	-	-	62,330	-	343,949
Charlottesville	1,987,873	417,889	-	643,069	304,419	-	3,353,250
Chesapeake	7,711,002	3,408,506	-	-	1,938,481	-	13,057,989
Colonial Heights	415,020	218,687	-	-	90,703	-	724,410
Covington	208,860	48,433	-	-	28,095	-	285,388
Danville	1,744,123	852,576	-	-	514,517	-	3,111,216
Emporia	347,308	85,404	-	-	21,279	-	453,991
Fairfax	1,723,369	382,354	-	-	183,897	-	2,289,620
Falls Church	582,000	211,057	-	-	116,896	-	909,953
Franklin	342,898	164,870	-	-	69,451	-	577,219
Fredericksburg	1,247,542	220,533	-	-	249,489	-	1,717,564
Galax	137,319	75,058	-	-	32,445	-	244,822
Hampton	4,714,297	2,096,801	-	1,590,091	1,256,662	-	9,657,851
Harrisonburg	862,093	533,070	-	-	285,789	-	1,680,952
Hopewell	501,054	261,459	-	-	133,019	-	895,532
Lexington	215,221	52,705	-	-	39,107	-	307,033
Lynchburg	2,421,889	983,591	-	-	579,466	-	3,984,946
Manassas	1,519,863	323,435	-	-	314,396	-	2,157,694
Manassas Park	521,543	72,838	-	-	105,863	-	700,244
Martinsville	598,639	189,660	-	-	154,935	-	943,234
Newport News	6,323,665	2,732,996	-	2,006,039	1,251,018	-	12,313,718
Norfolk	15,427,081	4,156,020	-	2,532,182	1,898,064	-	24,013,347
Norton	141,782	38,955	-	-	39,019	-	219,756
Petersburg	1,251,975	325,012	-	236,151	212,219	-	2,025,357
Poquoson	202,056	146,483	-	-	86,556	-	435,095
Portsmouth	4,368,967	1,632,992	977,162	906,207	250	-	7,885,578
Radford	900,744	149,176	-	-	189,981	-	1,239,901
Richmond	11,366,967	4,265,372	2,535,132	2,176,079	1,926,096	-	22,269,646
Roanoke	4,606,426	1,644,257	550,538	-	1,011,296	-	7,812,517
Salem	606,202	231,017	-	-	251,164	-	1,088,383
Staunton	711,493	451,410	-	-	275,633	-	1,438,536
Suffolk	2,418,243	1,030,945	-	-	168,958	-	3,618,146
Virginia Beach	17,487,694	6,380,079	-	-	4,644,304	-	28,512,077
Waynesboro	564,891	295,648	-	333,086	124,401	-	1,318,026
Williamsburg	448,286	262,397	-	-	137,841	-	848,524
Winchester	1,267,880	651,116	-	191,868	240,589	-	2,351,453
Total for cities	104,493,615	35,919,724	4,317,741	10,614,772	20,273,282	-	175,619,134

Locality	Local Consumer Utility Tax on Telephone Service	Local E-911 Service Tax	Gross Receipt Tax (over 0.5%)	Local Consumer Utility Tax on Cable Service	Cable Franchise Fee	Video Program Excise Tax	Total per Locality
Towns:							
Abingdon	57,668	-	43,258	-	77,873	-	178,799
Ashland	145,745	-	-	-	51,947	-	197,692
Big Stone Gap	244,349	-	-	-	56,879	-	301,228
Blacksburg	746,602	224,587	-	184,132	253,855	-	1,409,176
Blackstone	-	-	-	-	19,684	-	19,684
Bluefield	-	-	-	-	42,059	-	42,059
Bridgewater	54,703	-	-	-	32,897	-	87,600
Chincoteague	110,074	42,433	-	-	15,106	-	167,613
Christiansburg	609,665	94,078	-	-	147,779	-	851,522
Clifton Forge	84,684	-	-	-	16,683	-	101,367
Colonial Beach	92,463	68,828	-	-	33,828	-	195,119
Culpeper	-	-	-	-	119,814	-	119,814
Dumfries	82,172	-	-	-	57,312	-	139,484
Farmville	209,172	295,394	-	-	41,829	-	546,395
Front Royal	-	-	-	-	211,544	-	211,544
Herndon	1,148,777	-	-	-	293,375	-	1,442,152
Leesburg	668,240	-	-	-	280,082	-	948,322
Luray	31,870	-	-	-	47,971	-	79,841
Marion	32,640	-	-	-	69,413	-	102,053
Orange	161,800	-	-	-	25,373	-	187,173
Pulaski	519,827	114,789	-	-	73,219	-	707,835
Purcellville	107,444	-	-	-	42,461	-	149,905
Richlands	-	-	-	-	-	-	-
Rocky Mount	80,237	-	-	-	42,165	-	122,402
Smithfield	191,353	-	-	-	54,993	-	246,346
South Boston	227,002	145,648	-	54,729	67,349	-	494,728
South Hill	185,590	-	-	-	26,894	-	212,484
Strasburg	55,754	-	-	-	24,952	-	80,706
Tazewell	12,565	-	-	-	28,298	-	40,863
Vienna	849,077	-	-	-	136,235	-	985,312
Vinton	219,219	79,019	-	-	83,239	-	381,477
Warrenton	472,600	-	-	-	70,403	-	543,003
West Point	104,826	38,430	-	-	12,582	-	155,838
Wise	77,634	-	-	-	38,213	-	115,847
Woodstock	52,621	-	-	-	36,791	-	89,412
Wytheville	278,268	108,882	-	-	70,607	-	457,757
Total for towns	7,914,641	1,212,088	43,258	238,861	2,703,704	-	12,112,552
Total	\$ 254,880,183	\$ 101,262,057	\$ 5,533,668	\$ 10,853,633	\$ 53,217,795	\$ 7,498	\$ 425,754,834

CHAPTER 126
OF THE 2005 ACTS OF ASSEMBLY

An Act directing the Auditor of Public Accounts to determine the amount of revenues received by local governments from certain communications services; taxes and fees for fiscal year 2005.

[H 2880]

Approved March 20, 2005

Be it enacted by the General Assembly of Virginia:

1. § 1. The Auditor of Public Accounts shall determine the amount of revenues received by every county, city, and town that is included in the annual APA's Comprehensive Revenue Report, for the fiscal year commencing July 1, 2004, and ending June 30, 2005, for each of the following taxes and fees collected by the service providers: the gross receipts tax in excess of 0.5 percent, the local consumer utility tax, video program excise tax, cable franchise fee, and the 911 taxes and fees, where they are collected. Local governments and service providers shall cooperate with the Auditor of Public Accounts and provide information to him as requested. The Auditor or his agent shall not divulge any information acquired by him in the performances of his duties under this section that may identify specific service providers. The Auditor shall report his findings on a tax-by-tax basis to the chairmen of the House and Senate Finance Committees and the Department of Taxation no later than December 1, 2005.