

Response to Questions on the FY 2015 Budget

Request By: Supervisor McKay

Question: Have other localities set aside funds for litigation involving the Virginia Tax Commissioner's ruling on BPOL apportionment of gross receipts?

Response: Information from Arlington and Hampton is shown below.

Arlington – has no specific amount set aside for BPOL litigation. Arlington does have a general contingent that is funded for \$3.0 million. It can be used to address any revenue-related issue including BPOL apportionment. Arlington's total BPOL receipts are estimated to be \$62 million in FY 2015. Staff indicated they would get back to DMB with the potential at-risk amount.

Hampton – has no specific amount set aside for BPOL litigation. Hampton has an Emergency Reserve Account of \$1.1 million which can be used to fund unanticipated emergency expenditures or to cover a shortfall in revenues. Hampton's projected FY 2015 BPOL receipts are \$12.4 million. Currently, there is one Circuit Court case pending regarding BPOL apportionment. The potential loss from this case is \$1.0 million.