

Business, Professional and Occupational License (BPOL) Tax Exemption

Section 18- 2 and Section 18- 3 of the Chesapeake City Code provide for a temporary exemption from Business License Tax for qualifying businesses newly locating in the City of Chesapeake, subject to certain conditions.

A **Qualifying Business** means a business that locates for the first time in the City of Chesapeake on or after January 1, 2012. The tax reduction shall apply to the business license year in which the Qualifying Business first locates in Chesapeake and the following business license year.

A business **shall not be deemed** to first locate in Chesapeake based on merger, acquisition or similar business combination; new location or additional places of a business by a business entity currently operating in Chesapeake; name change; or change in the form or structure of the business entity, such as changing from a corporation to a limited liability company.

A business **shall not be deemed** to locate in Chesapeake for the first time if there is 1) an existing business in the City trading under the same or substantially similar business name, 2) the businesses conduct similar business activities, and 3) the businesses are related either by a shared ownership structure or a contractual relationship such as a franchisor/franchisee relationship.

A Qualifying Business **shall not include** business types which require a flat tax such as peddlers, itinerant merchants or sales of alcoholic beverages. A qualifying Business **shall not include** a contractor required to obtain a license under Section 58. 1- 3715(B) of the Code of Virginia.

A business which owes delinquent tax of any kind to the City of Chesapeake shall not be deemed a Qualifying Business.

Additional information to determine whether a business is entitled to an exemption from license tax shall be provided in a timely manner by the Qualifying Business.

A Qualifying Business shall be **subject to the \$50.00 annual license fee for each separate line of business** and shall report its personal property, gross receipts and excise taxes to the assessing official at such times and in such manner as required by law.



A designation as a Qualifying Business shall automatically lapse after the Qualifying Business has held a business license for any portion of two consecutive business license years.

A Qualifying Business **shall automatically forfeit** any entitlement to the business license tax reduction if 1) such business is delinquent on any local tax or fee, including, but not limited to, business license fees and tax, personal property tax, real property tax, admissions tax, food and beverage tax, sales and use tax, short-term rental tax and transient occupancy tax, or 2) such business fails to file returns for self-reported taxes at such times and in such manner as required by law.

For additional information, please visit the [Commissioner of the Revenue website](#).

