

**FREDERICK COUNTY, VA
COMMISSIONER OF THE REVENUE**



2021 ANNUAL REPORT





FREDERICK COUNTY COMMISSIONER OF THE REVENUE



It is the goal of the Commissioner of the Revenue's (COR) office to find, assess, value, and apply Board of Supervisor tax rates to all taxable businesses, personal property, real property, and business tangible personal property. We must ensure that tax assessments are accurate, thorough, uniform, and complete so that the taxation burden is shared fairly and equitably among all County residents and businesses.

COR staff strive to provide the highest quality of customer service to all citizens of Frederick County by being courteous, efficient, timely, and diligent in performing our job duties.

In 2021, we continued to take steps to prevent the spread of COVID in order to ensure the safety and well-being of our staff and citizens. Frederick County citizens can avoid in-person services by using multiple other resources that are fast, efficient, and safe ways of communication to provide information, submit filings, or contact us.

By being cognizant of the ever-changing advances in technology, we continue to streamline our online presence so that taxpayers have the ability to use our 31 online programs and 71 printable forms available 24/7 via our website (www.fcva.us/cor). Additionally, our "Contact Us" page lists every COR staff member as well as his/her direct phone number and email address link. During the pandemic, as always, staff were available to walk citizens through COR's convenient user-friendly online programs and take information over the phone or by email (e.g., renewing a business license, reporting a disposed of vehicle etc.). We continue to greatly appreciate the assistance from our taxpayers.

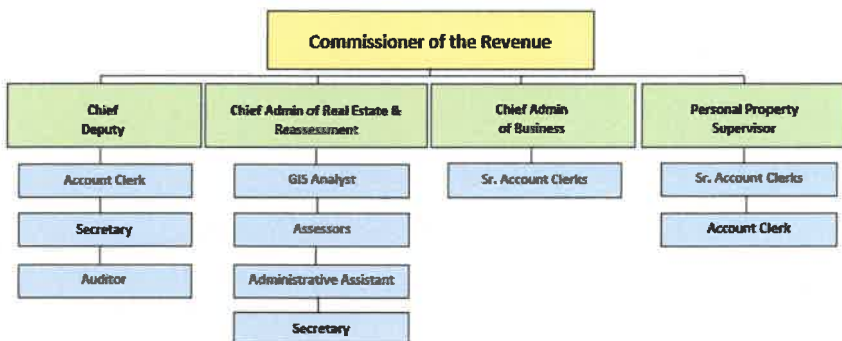
Our mission remains the same – to help and support businesses and individuals as a resource, and hopefully contribute to their success. We will continue to fulfill the trust placed in us by Frederick County citizens by staying committed to accomplishing our goals.



Sincerely,

Seth T. Thatcher

Commissioner of the Revenue



CONTACT INFORMATION

107 North Kent Street – 1st Floor, Winchester VA 22601
540-665-5681

REAL ESTATE
(Real Property, Mapping,
Tax Relief etc.)
540-665-5680
www.fcva.us/re
bhummer@fcva.us

BUSINESS
(License, Equipment, M&T,
Meals, Lodging etc.)
540-722-8335
www.fcva.us/biztax
biztax@fcva.us

PERSONAL PROPERTY
(Cars, Trucks, Motorcycles,
Trailers, etc.)
540-722-8324
www.fcva.us/persprop
persprop@fcva.us

AUDITING
& COMPLIANCE
(Report Non-Compliance)
540-722-8332
jzierche@fcva.us

GENERAL
540-665-5681
www.fcva.us/cor
lmossbur@fcva.us

COR DUTIES & RESPONSIBILITIES by DIVISION

GENERAL ADMINISTRATION

- Examine economic trends/data, valuation guide changes, and real estate sales for assessment accuracy
- Monitor and lobby for/against legislative changes that impact administration of taxation by COR
- Work with County Attorney on legal issues and updates of our locality's Code
- Respond to FOIA requests and other inquiries
- Compile statistical annual reports for local, state, and organizational use
- Assist with County budgetary information and revenue projection
- Prepare budget and monthly reports for Compensation Board
- Continue education by attending classes, training, seminars, and conferences
- Actively participate in tax or assessment-related group meetings involving matters such as proposed legislation before the General Assembly, NADA analysis, VA Tax Department updates, DMV updates, and Bright & Associates or CAMRA software changes

COMPLIANCE/AUDITING DIVISION

- Conduct discovery of new items of taxation and business/personal property including site visits
- Has investigative responsibility to audit filings of all tax programs
- Correct assessments for non-filers, unreported or undervalued items, incorrect depreciation etc.
- Review monthly tax reports from VA Department of Taxation and other sources to compare with COR records to ensure correct taxation
- File requests for locality transfers when tax allocated incorrectly to other jurisdictions
- Handle tax appeals

REAL ESTATE & REASSESSMENT DIVISION

- Conduct in-house reassessment of all land parcels and hold assessor/BOE hearings every two years
- Assess new construction and changes (as permits are issued)
- Make mapping adjustments
- Execute deed changes, transfers, and other ownership adjustments
- Administer real estate tax relief programs for elderly, disabled, 100% service connected permanently and totally disabled veterans, and surviving spouses for specific programs
- Manage land use tax deferral program for qualifying parcels of agricultural, horticultural, forestry, and open space land
- Apply rollback taxes for non-qualifying land as a result of land use changes



COR DUTIES & RESPONSIBILITIES by DIVISION

BUSINESS DIVISION

- Explain multi-step business license application process and annual renewal
- Issue licenses to assessed businesses
- Register consumer tax businesses, handle meals (food & beverage) and lodging (transient occupancy) monthly tax filings
- Manage short-term rental property business registration and quarterly filings
- Extensively review and process business equipment taxes for all businesses, manufacturers (machinery & tools), processors, and leasing companies
- Assess public utility taxes
- Ensure compliance by conducting site visits and taking steps to “discover” businesses including review of Schedule C’s, State Corporation Commission filings, and income taxes
- Follow up on taxpayer complaints and information provided by other County Departments (e.g., Inspections, Planning, Sheriff etc.)
- Deliver to Treasurer payments sent directly to COR for many of the above-listed items

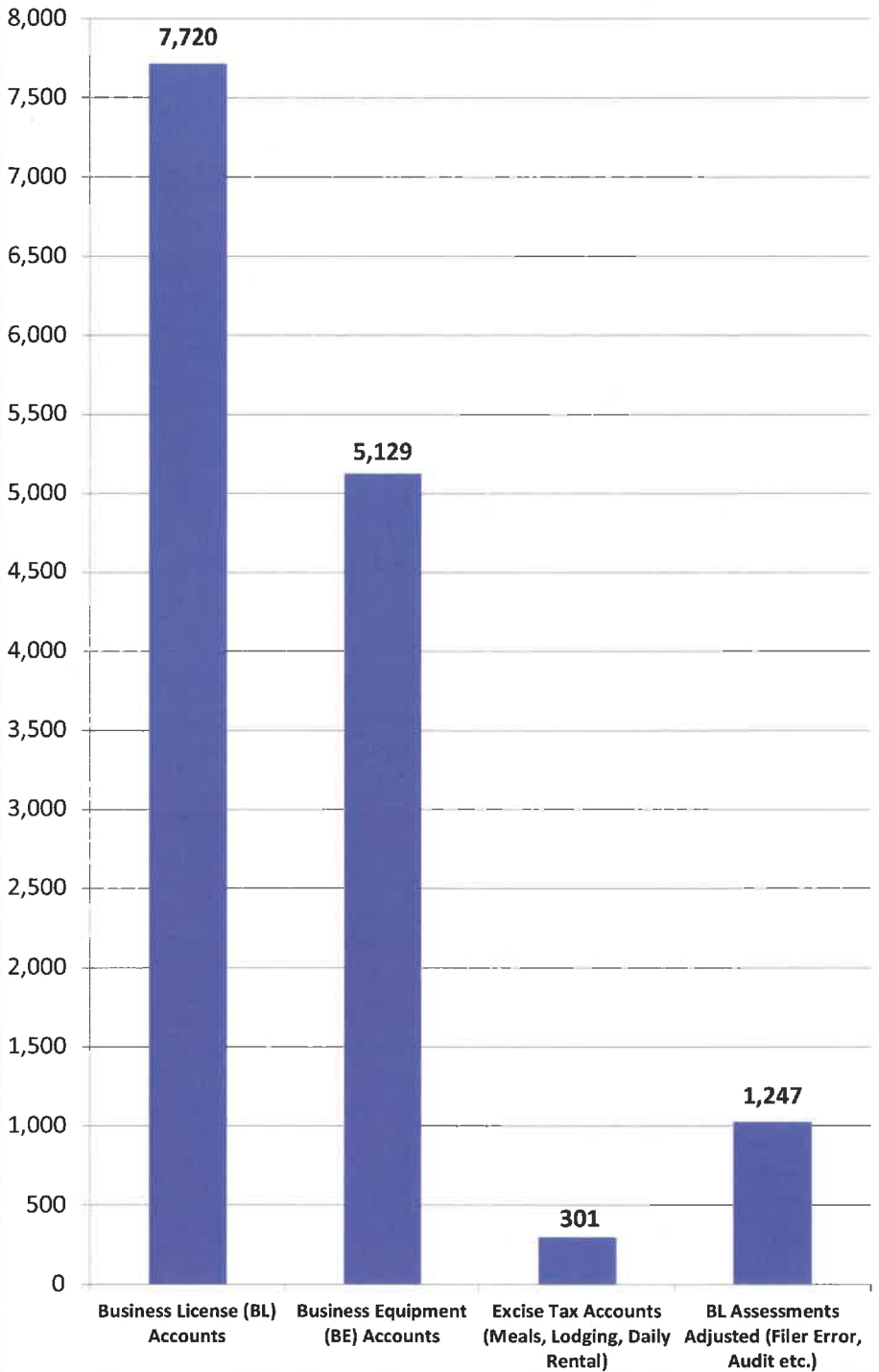


PERSONAL PROPERTY DIVISION

- Find and assess all personal property including motorcycles, passenger vehicles, pick-up trucks, trailers, big trucks, motor homes, mobile homes, airplanes, and boats
- Adjust records to reflect the purchase, sale, disposal, or transfer of ownership of personal property
- Process move-ins and move-outs listed on weekly DMV reports
- Work up semi-annual DMV reports from neighboring jurisdictions for compliance
- Assess vehicle license fees and apportion interstate trucks/trailers
- Verify and record all tax-exempt property including for servicemembers, qualifying fire & rescue volunteers, and the new program for qualifying 100% service-connected permanently and totally disabled veterans
- Confirm, balance, and post proration abatements
- Calculate and apply personal property tax relief percentage to vehicles
- Apply high mileage reduction and damage consideration where applicable
- Issue supplemental bills
- Ensure compliance by investigating unlicensed, unregistered, and out-of-state vehicles



COR BUSINESS DIVISION - 2021



BUSINESS DIVISION

COR staff issue business licenses to all individuals, persons, firms, corporations etc. who engage in or conduct any trade, profession, or occupation in Frederick County including those who receive 1099 forms or are self-employed. Business licenses are then renewed annually by March 1. Business license tax rates vary according to business category and are calculated based on (1) fixed fees, (2) prior year's gross receipts, or (3) estimated gross receipts if a new business. COR has available an online program for initially registering a business and submitting a business license renewal which includes instructive pop-up boxes and informational links for ease of use. Eighty-five percent of businesses renewed their license online by this year's deadline.

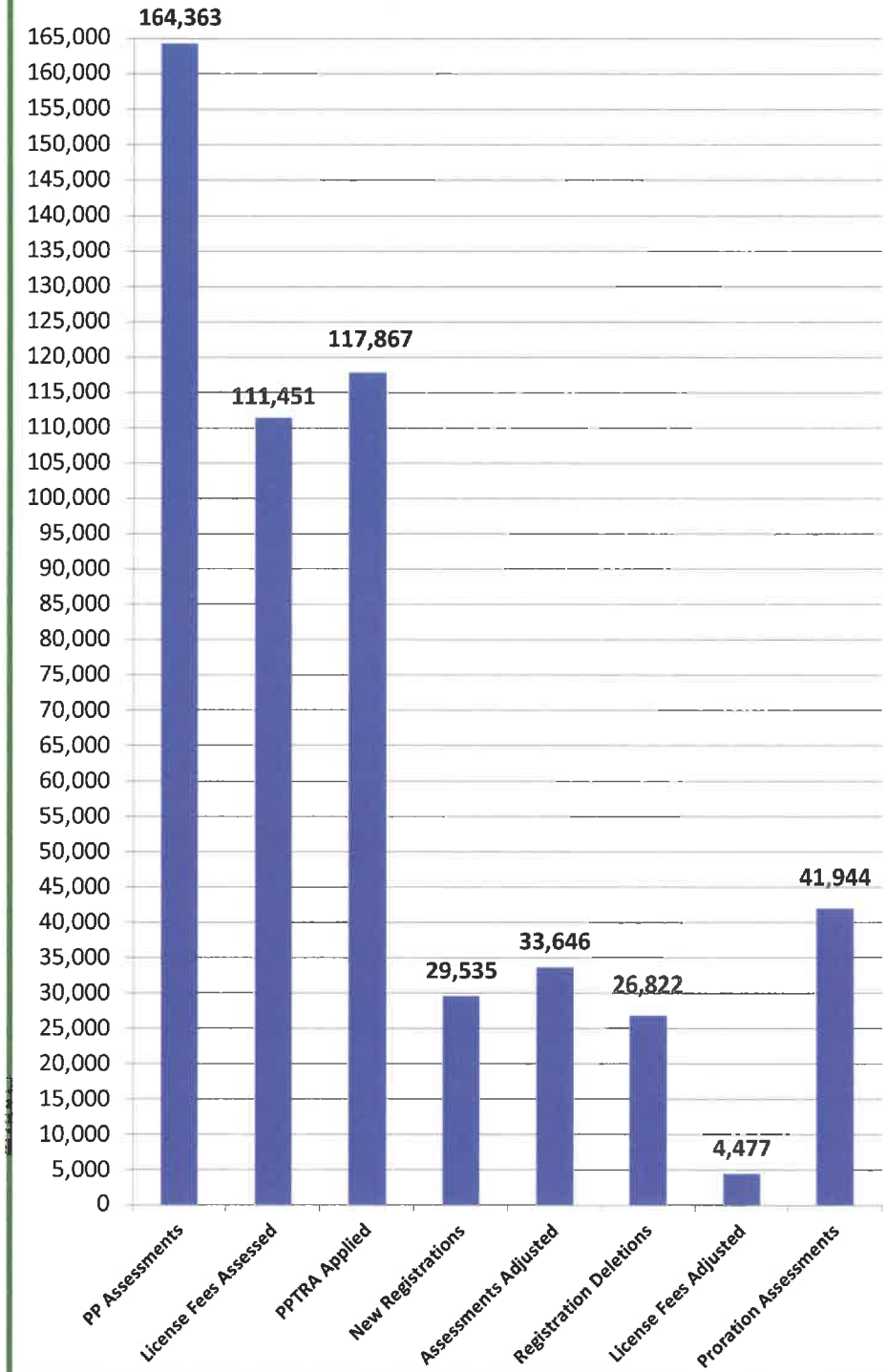
All tangible personal property (tools, equipment, furnishings, machinery etc.) owned, leased, rented, or borrowed whether used or available for use as of January 1 of any year located in Frederick County must be filed on a personal property return. COR staff carefully review each return for completeness and accuracy.

A "food and beverage" (meals) tax of 4% tax is imposed on any prepared food and drink, including alcoholic beverages, offered for sale by a restaurant, caterer, or other vendor for the purpose of being consumed. This tax is collected by the seller at the time of the purchase. All amounts collected as taxes are deemed to be held in trust by the seller until remitted to the County via monthly reports and remittance.

A "transient occupancy" (lodging) tax of 3.5% is imposed on any public or private hotel, inn, apartment hotel, hostelry, tourist home or house, motel, rooming house, travel campground or other lodging place within the County of Frederick, offering lodging for any individual or group at any time, and the owner and operator thereof who, for compensation, furnishes lodging to any transients. All amounts collected as taxes are deemed to be held in trust by the seller collecting them until remitted to the County via monthly reports and remittance.

The Business Division has available on its website extensive information as well as 22 user-friendly online programs (including registering a business, filing renewal, providing subcontractor info, monthly meals & lodging returns etc.) and 43 printable forms.

COR PERSONAL PROPERTY DIVISION - 2021



PERSONAL PROPERTY DIVISION

COR handles personal property tax (vehicles, mobile homes, airplanes, boats etc.). The tax year is a calendar year billed in halves. For property discovered, purchased, moved in etc. not on record for the normal billing cycle, a supplemental bill is issued. The Treasurer generates, mails (to taxpayer's last reported address), and collects monies for all bills.

FC prorates by allowing taxation for the months qualifying personal property is actually located in the County, rather than for an entire year. Per VA Code, the exception is when taxable property comes from or moves out to another VA locality that does not prorate. Property involving prorating and non-prorating jurisdictions is taxed in whichever jurisdiction it was sited on January 1 of that year for the entire year. Vehicles (except airplanes) are prorated to the month depending on the date of disposal or move out. Business personal property and airplanes owned on January 1 are taxed for the entire year with no proration allowance for additions and disposals during the year.

For personal property purchased or moved into FC, taxpayers (not DMV/dealership) must file or "report" it to COR within 60 days of purchase/move-in date. Residents in the corporate limits of Towns of Middletown and Stephens City are also required to purchase their decals. Taxpayers should notify COR when vehicles are sold, traded in, or otherwise disposed so that records can be timely adjusted. Airplanes and mobile homes must be reported or filed by the taxpayer within 30 days of purchase/move-in, and a personal property tax return for airplanes and mobile homes must be filed annually per VA Code. A 10% penalty of the tax is assessed for any non-filing or late filing.

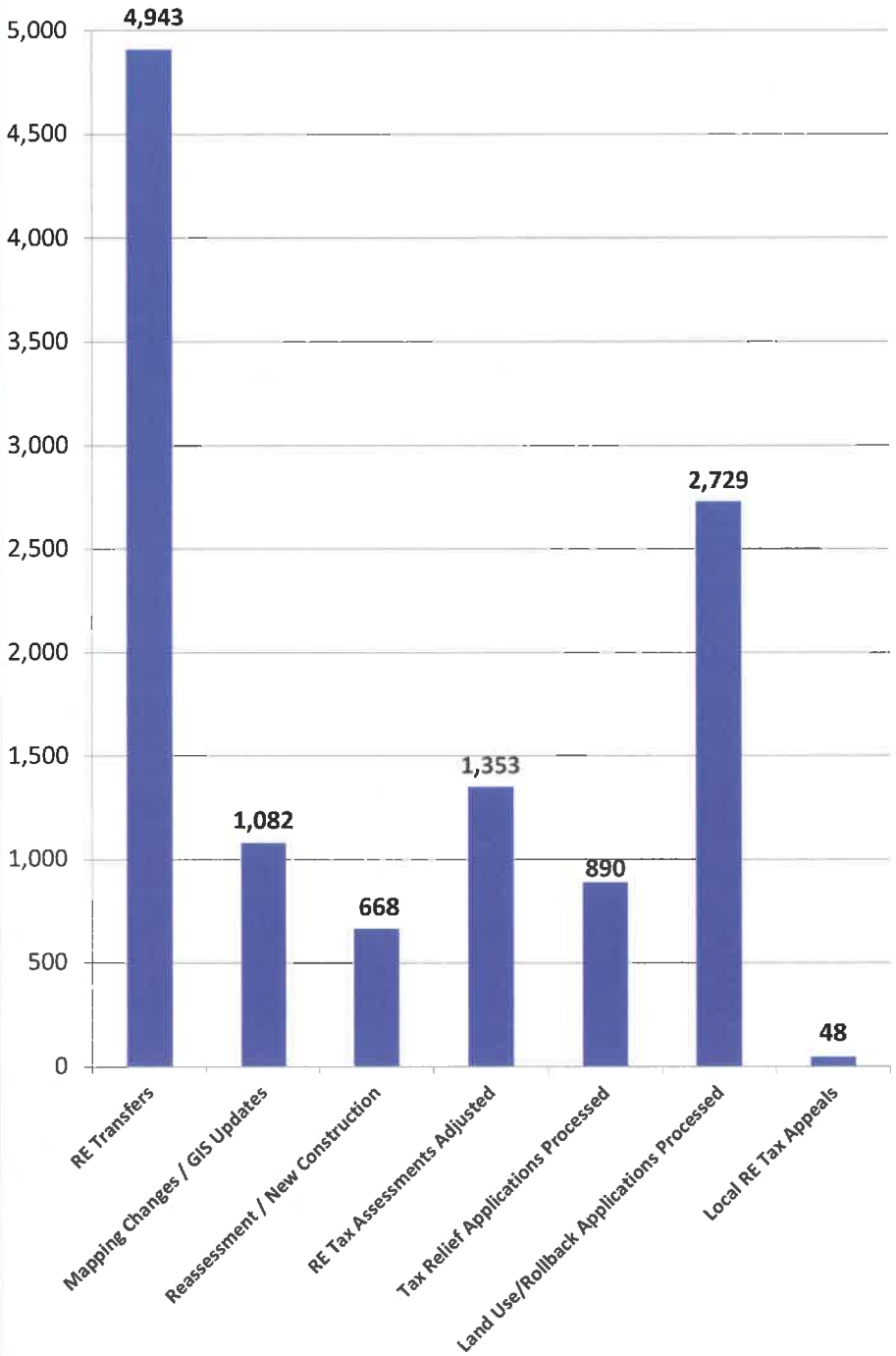
Contact DMV (804-497-7100) to report registered personal property that is sold, junked, traded, or disposed of (giving DMV your "Disposal Date") or when items move out/leave the County (giving DMV your "Move Date") as COR records must match DMV records. If moving to another VA locality, contact that local government to register. If moving to another State, contact their DMV to register. DMVs throughout the United States do not communicate with each other.

High mileage documents must be submitted to COR no later than February 15 each year for current vehicles, and within 60 days of purchases occurring after February 15. Odometer photographs are NOT acceptable documentation. The minimum mileage amounts change annually.

COR uses National Automobile Dealers Association pricing guides to value vehicles, boats, and airplanes. For most, the tax is based on NADA's clean trade-in value published in January of current year. New model year vehicles are initially assessed using a percentage of MSRP before options. Mobile homes are valued by size and style during each real estate reassessment year. Personal property that is in less than average condition or has experienced particular damage should be reported to COR for consideration of a value adjustment. Relevant documentation is required to prove a vehicle's below average condition (e.g., an itemized estimate detailing the extent of damage and the cost to repair the vehicle).

Appeals of any personal property tax assessment will be given fair consideration.

COR REAL ESTATE/REASSESSMENT DIVISION - 2021



REAL ESTATE & REASSESSMENT DIVISION

(49,449 Parcels of Land)

Real estate assessments in Frederick County, VA are taxed at 100% of fair market value. Reassessments are conducted every two years. Values for the reassessment take effect on January 1 of the year immediately following the completion of assessor field work and a County-wide sales study. New construction and other changes to the real property are valued as completed. Taxpayers are always notified of any value change to their property.

Assessors hold hearings for taxpayer questions and appeals after the reassessment change notices are mailed. Information regarding hearings is listed on the reassessment change notice, posted in the local newspaper, and posted on COR's reassessment information webpage. Taxpayers have the burden of showing that the assessment is incorrect and the reasons thereof. If dissatisfied at the conclusion of any assessor hearing, the taxpayer can then appeal after January 1 to the Board of Equalization (BOE). The final step for appeal is a court proceeding. BOE and assessor hearings are public information and are advertised in the local newspaper.

The annual tax rate is set by the FC Board of Supervisors each April for that calendar year. Based on the assessed values, the annual tax rate is applied to calculate tax bills. The Treasurer generates, mails (to taxpayer's last reported address) and collects monies for all bills. Bills are due in halves -- on June 5 and December 5 annually. New construction and corrections for items under-billed are supplemented with an additional bill being sent out.

As allowed under the Code of Virginia, Frederick County has adopted an ordinance to allow taxpayers to apply for specially reduced assessments on certain real estate, depending on its use. Following very closely on the calculations of the State Land Evaluation Advisory Council (SLEAC), reductions of assessment are given on each qualifying parcel. Such reduction encourages the continuation of farms, orchards, and forests in a time when development is driving the value of land up in a greater ratio than the return on products generated from such land.

Various tax relief or exemption programs, each with their own specific qualifications, are available for application by non-profit organizations, elderly, permanently disabled, 100% service connected totally and permanently disabled veterans (or surviving spouses), surviving spouses of members of the Armed Forces killed in action, and surviving spouses of certain persons killed in the line of duty. Information with regard to the application process for all of our programs is available on the Commissioner's website.

"TOP 20" TYPES OF BUSINESSES IN FREDERICK COUNTY

CATEGORY OF BUSINESS	NUMBER
Building Contractor	272
Retail Business	196
Specialty Contractor	189
Commercial Improvement Contractor	188
Consulting	180
Landscaping / Lawn Care	179
Janitorial	156
Electrical Contractor	153
Online Retail	127
Home Improvement Contracting	107
HVAC Contractor	86
Painting and Wallcovering	80
Auto Repair (Not Mobile)	75
Trucking/Hauling/Delivery	59
Commercial & Residential Building	58
Plumbing Contractor	57
Practitioners of Healing Arts	57
Handyman	56
1099 Employees	56
Highway/Heavy Equipment Contractor	48

NET VALUE of ASSESSMENTS OR ADJUSTMENTS - 2021

REAL ESTATE	NET VALUE
Real Estate Parcels Assessed (Taxable)	\$12,369,526,100
Real Estate Parcels Assessed (Exempt)	\$1,270,894,400
Sanitary District Parcels	\$174,566,600
Public Service Parcels	\$432,045,557
BUSINESS	NET VALUE
Licenses Created, Renewed or Adjusted	\$4,622,602,989
Excise Taxes Filed (Meals, Lodging, Daily Rental)	\$261,564,456
Business and Industrial Filings	\$625,217,136
PERSONAL PROPERTY	NET VALUE
Personal Property	\$1,627,787,945

REAL ESTATE PROJECTED REVENUE

RE Residential & Commercial Properties	REVENUE
Reassessment @ Current Tax Rate (\$0.610)	\$75,454,109.21

AUDITING RESULTS – 2017 to 2021

YEAR	VALUE ADJUSTMENT	TAX ADJUSTMENT (Additional Money to FC)
2017	\$64,753,597	\$418,926
2018	\$46,646,001	\$415,041
2019	\$74,799,467	\$830,099
2020	\$276,443,463	\$378,196
2021	\$48,760,614	\$622,673

COR AWARDS and RECOGNITIONS



FC's Commissioner of the Revenue office was first honored in 2019 at the 100th Annual Conference of Commissioners of the Revenue Association of Virginia (CORVA) with its initial awards of office "Accreditation for Continued Excellence." COR has continued to receive the award in subsequent years including 2021 by continuing to comply with the numerous rigorous standards set by CORVA.



In 2016, COR received a National Association of Counties (NACo) Achievement Award for *Business Friendly / Citizen Friendly Through Technology*.

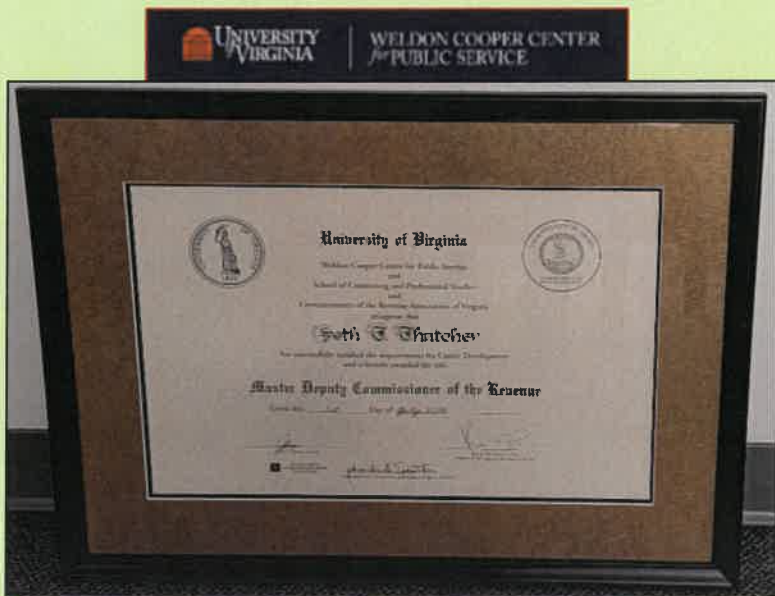


In 2014, Governor's Technology Awards were presented to honorees as part of the Commonwealth of Virginia Innovative Technology Symposium (COVITS). The Commissioner of the Revenue was a *Finalist* with the submission of "Going Green in Frederick County" in the COVITS category of *IT as Efficiency Driver – Government to Business*.

UNIVERSITY OF VIRGINIA WELDON COOPER CENTER for PUBLIC SERVICE

The Commissioner of the Revenue's office participates in an educational program offered by the Commissioners of Revenue Association of Virginia (CORVA) and jointly administered by the Weldon Cooper Center for Public Service at the University of Virginia. The program identifies criteria both to encourage raising the level of professionalism in Commissioners' offices and to measure such attainment. It provides a means initially of achieving professional recognition as a "Master" [Commissioner or Deputy Commissioner] and an annual re-designation.

Seth T. Thatcher has achieved CORVA/UVA's designation of *Master Commissioner of the Revenue* and will be officially presented with his MCR certification in the Fall of 2022. In addition, eight current COR staff have attained their designation of Master Deputy Commissioner of the Revenue and six others are enrolled in the program. Designation and re-designation are accomplished by obtaining the required number of points based on formal education, prior and current work experience, service to CORVA, and successfully completing the designated number of core and elective courses.





**Frederick County
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107 North Kent Street
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Winchester VA 22601**