TAXATION: REVIEW OF LOCAL TAXES — LOCAL TAXES.

Collection of personal property taxes during calendar year of January 1 assessment. Taxes collected annually in October by county that imposes tax on calendar year basis are those assessed previously in January of same year. Change from annual to semiannual collection in May and October results in installment payment of taxes assessed in January of same calendar year.

The Honorable Richard H. Black  
Member, House of Delegates  
August 9, 1999

You ask whether a Virginia locality may alter its collection of personal property taxes from annual collections to a semiannual personal property tax collection in a manner that appears to impose an additional one-half year tax on its citizens.¹

You relate that a county that imposes taxes on a calendar year basis has been collecting personal property taxes annually each October. In January 1998, the county changed to a semiannual basis for collection of such taxes to be made in two installments. The first one-half of the amount assessed is collected in May and the remaining half is collected in October. As a result, in the first year affected by this change, you express concern that the taxpayers in the county paid 100 percent of their car tax for 1998 on October 5, 1997, and thus the May 1998 installment resulted in an additional half-year's taxation on such taxpayers.

Unless a locality has opted to levy taxes on a fiscal year basis pursuant to § 58.1-3010 of the Code of Virginia or a similar charter provision, "all counties and cities in the Commonwealth must assess their taxes on a calendar year basis with January 1 as the tax day."² Taxes may not be prepaid "during a current year for the ensuing year."³ Thus, taxes assessed on January 1 of any given year are collected in that year, and are not prepaid in advance of the next calendar year. In the situation you present, therefore, taxes assessed on January 1, 1997, were collected in October 1997. Consequently, the collection of these taxes in October 1997 was not a prepayment of 1998 taxes.

Accordingly, the taxes collected in October 1997 were those assessed for the calendar year 1997. The taxes collected in May and October of 1998 were those assessed for calendar year 1998. The installment due in May 1998 reflects one-half of the 1998 taxes owed and the October 1998 installment reflects the other half owed. None of these payments overlapped.⁴ It is, therefore, my opinion that your concern that the change to semiannual collection resulted in an additional half-year’s taxation is not actually the case under these circumstances.

¹ See Va. Code Ann. § 58.1-3916 (authorizing governing body of locality to establish "by ordinance … due dates for the payment of local taxes” and to "provide that payment be made in a single installment or in two equal installments").


³ 1958-1959 Op. Va. Att’y Gen. 298, 299. But see § 58.1-3920 (authorizing taxpayer "desiring to pay any local taxes for any year prior to the time the treasurer receives copies of the commissioner[ ] [of the revenue’s] books" to do so under limited circumstances.
It is inevitable, but not unlawful, that a locality operating on a fiscal year budget will receive two payments in the first fiscal year affected by the change in collection of taxes from an annual to a semiannual basis. See 1976-1977 Op. Va. Att'y Gen. 7, 8 (stating that "[t]here is … no statutory requirement that the tax year correspond to the fiscal year").