

TAXABLE	
Business License Taxes	Business Tangible Personal Property Tax
<p>Gross receipts from sale of products, that are not grown or manufactured at the farm.</p> <p>Gross receipts must be \$500,000 or more for the license year beginning January 2018 and continuing for each subsequent license year.</p> <p>Examples: sales of t-shirts, promotional products, souvenirs, prepared food and snacks, plant pots, umbrellas, flower bases, jewelry, books, and any other items sold at retail that are not farm grown or produced.</p>	<p>Farm machinery used in the growing and harvesting process at the farm.</p> <p>The current tax rate for this category is \$0.00001 per hundred of assessed value.</p>
<p>Gross receipts from the operation of separate lines of business activities such as, but not limited to, special activities, tours, receptions and other social functions, entrance fees, event rental, wedding services, where a fee is charged, restaurants, animal boarding, classes and workshops, and lodging facilities.</p> <p>Gross receipts must be \$500,000 or more for the license year beginning January 2018 and continuing for each subsequent license year.</p> <p>Examples: Sales of tours, receptions and other social functions, entrance fees, event rental, wedding services, restaurants, classes, and lodging facilities.</p>	<p>Business Equipment (furniture and fixtures, and office and computer and peripherals) of the farm.</p> <p>Examples: Desks, chairs, computers and peripherals, phones, fax machines, copiers, etc.</p>
	<p>Business equipment (furniture and fixtures, and computer and peripherals) used in separate lines of businesses such as, but not limited to, special activities, receptions and other social functions (e.g. entrance fess, event rental, wedding services, where a fee is charged), restaurants, and lodging facilities.</p> <p>Examples: Desks, chairs, computers and peripherals, phones, fax machines, copiers, golf carts, bouncy inflatables, gazebos, benches, tables and chairs, tents, etc.</p>
	<p>Machinery & Tools Tax</p>
	<p>Machinery and tools utilized in a manufacturing process at the farm location, including computers used as a part of the manufacturing process.</p> <p>Examples: Fruit crushers processing equipment, packaging, corking and sealing equipment, tanks and fermenters, etc.</p>

DEFINITIONS

As defined in Code of Virginia §3.2

Agricultural products: any livestock, aquaculture, poultry, horticultural, floricultural, viticulture, silvicultural, or other farm crops.

Agritourism activity: any activity carried out on a farm or ranch that allows members of the general public — for recreational, entertainment, or educational purposes — to view or enjoy rural activities, including farming, wineries, ranching, horseback riding, historical, cultural, harvest-your-own activities, or natural activities and attractions. An activity is an agritourism activity whether or not the participant paid to participate in the activity.

Agritourism professional: any person who is engaged in the business of providing one or more agritourism activities, whether or not for compensation.

Farm or ranch: one or more areas of land used for the production, cultivation, growing, harvesting or processing of agricultural products.

Farm produce or farm products: horticultural, viticulture, forestry, dairy, livestock, poultry, bee, and other products ordinarily produced on farms.

CONTACT US

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In-person or by mail:

Prince William County Department of Finance
Tax Administration Division
5 County Complex Court, Suite 140
Woodbridge, VA 22192



Introductory Taxation Guide

PRINCE WILLIAM COUNTY FARMS

PRINCE WILLIAM
Finance

PUB151-25

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Finance



TAXES

To operate a farm in Prince William County, Virginia, you need to obtain a county business license, comply with zoning regulations and understand taxation requirements.

The Department of Finance, Tax Administration Division assesses Prince William County business taxes on business conducted in Prince William County, including home-based businesses.

Business License Tax

Prince William County levies a tax on new and existing businesses when they apply for or renew their business license. All businesses are required to obtain a business license regardless of reported gross receipts.

Any business whose prior year gross receipts are \$500,000 and greater, or new businesses that expect their annual gross receipts to be \$500,000 and greater, will have a license tax due. Businesses with gross receipts less than \$500,000 will not have taxes due to obtain a license.

To apply for a business license, you can visit the Prince William County Tax Administration office in person or email all the required documentation to taxpayerservices@pwcgov.org. Visit pwcva.gov/business-license to download forms.

New farms must file a business license application within 30 days of beginning business. Existing farms must renew and pay their business license every year by March 1.

For more comprehensive requirements, see publication 100-12 - Getting Your Prince William County Business License at <https://bit.ly/PWC-BizLicenseGuide>.

Business Tangible Personal Property Tax

Prince William County levies a tax on all tangible personal property located and used in a trade or business in Prince William County on January 1 of each year. This includes items such as furniture, fixtures, machinery, tools and computer equipment.

Business Tangible Personal Property returns must be filed every year by April 15. Payments are due on October 5.

Other Business Taxes

The following are taxes levied on industry-specific activities:

Machinery and Tools: Items used in a manufacturing, mining, water well drilling, processing or reprocessing, radio or television broadcasting, dairy, dry cleaning or laundry business, or a business primarily engaged in advanced recycling must file and pay Machinery and Tools taxes. Returns must be filed every year by April 15. Payments are due on October 5.

Food and Beverage: Taxes charged by a seller for prepared foods sold in Prince William County.

If your farm sells prepared food for service to the public, you must collect 3% tax from your customers and remit this tax to the county on or before the 20th of each month for taxes collected the previous month.

Transient Occupancy: A trust tax imposed on the occupancy of all rooms or spaces offered as guest rooms and rented out for continuous occupancy for fewer than 30 consecutive days.

If your farm rents rooms or spaces for fewer than 30 consecutive days, you must collect and remit this tax to the county on or before the last day of the month following each quarter collected.

Short-term Rental: If your farm owns tangible personal property including heavy equipment held for short term rental, you must obtain a certificate of registration and collect the Short-term Rental Tax from lessees to remit to the county every quarter before the last day of the following month.

Registering Your Farm for State Taxes

Retail Sales Tax: All sales, leases and rentals of tangible personal property in or for use in Virginia, as well as accommodations and certain taxable services, are subject to Virginia sales and use tax, unless an exemption or exception is established.

If your farm sells, leases, distributes or rents tangible personal property to customers in Virginia, you must register to collect and pay Sales and Use tax.

To register contact:
Department of Taxation Customer Service
Office of Business Investment
P.O. Box 1115
Richmond, Virginia 23218
www.tax.virginia.gov

NON TAXABLE

Business License Taxes

Gross receipts from selling farm or domestic products or nursery products, and/or for the privilege of manufacturing and selling goods provided such products are grown or produced by the farm offering them for sale at any location or at wholesale at the farm location.

Examples of Non Taxable Receipts

Farm Type	Farm Grown or Produced
Poultry	Sales of meat and eggs
Beef Cattle	Sales of beef
Sheep	Sales of wool and meat
Goat	Sales of milk and fiber
Pig	Sales of pork
Dairy	Sales of milk
Vegetable	Sales of fresh produce
Grain	Sales of cereal crops
Vineyard	Sales of farm produced wine and/or manufacturing of wine from outside grape growers
Fruit Orchard	Sales of fruit or farm produced jams and jellies
Flower	Sales of flowers
Bee	Sales of honey
Tree	Sales of lumber production
Horse	Sales of horses bred and raised at the farm
Sugarcane	Sales of sugar
Rabbits	Sales of rabbits bred and raised at the farm
Alpacas	Sales of alpacas bred and raised at the farm

