

Gross Receipts:

Virginia: New Law Requires Study to Potentially Broaden BPOL Deduction for Receipts Attributable to Out-of-State Business

H.B. 1743, signed by gov. 3/21/25. Recently signed legislation directs the Virginia Department of Taxation to convene a work group to review the policies, methods, existing laws, and potential impacts of the local license tax deduction in Virginia against the business, professional and occupational license (BPOL) tax – which is a gross receipts tax imposed at the local level in Virginia – for receipts attributable to out-of-state business and to submit a report of the findings and recommendations, if any, of the work group to the Virginia Joint Subcommittee on Tax Policy and to the Chairs of the Virginia House Committee on Finance, the Virginia House Committee on Appropriations, and the Virginia Senate Committee on Finance and Appropriations by October 1, 2025. Current Virginia BPOL tax law provides a deduction from a taxpayer's gross receipts or gross purchases for any receipts attributable to business conducted in another state or foreign country in which the taxpayer is liable for an income or other tax based upon income; however, such deduction is *not* currently available where the taxpayer is only liable for a gross receipts tax or modified gross receipts tax in the other state or foreign country. Please contact us with any related questions.

URL: <https://lis.virginia.gov/bill-details/20251/HB1743>

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