

CITY OF SALEM, VIRGINIA
BOOK OF RATES AND FEES

COMMISSIONER OF THE REVENUE

COMMISSIONER OF THE REVENUE FEES

BUSINESS LICENSE FEES

Assessing Department:

Commissioner of the Revenue

Collecting Department:

Treasurer

Description:

Every person or corporate entity engaging in business in Salem must obtain a business license within 30 days of beginning operation. Persons paid on a 1099 may be subject to licensure also.

There is a business License fee of \$50.00 for prior year gross receipts of \$49,999 and under. If prior year gross receipts are \$50,000 or more business license is calculated by tax rate listed below.

Online filing and payments can be performed at

<https://salemva.gov/Department/Commissioner-of-the-Revenue/Business-Tax>.

Rates or Fees	Amount
A list of business licenses and rates/fees are as follows:	
	TOTAL PRIOR YEAR GROSS RECEIPTS \$50,000 OR MORE MULTIPLIED BY TAX RATE EQUALS TAX AMOUNT DUE
CLASSIFICATION:	
Amusement Service	Prior Year Gross Receipts X .0036=Tax due
Business Service	Prior Year Gross Receipts X .0036=Tax due
*Contractor	Prior Year Gross Receipts X .0016=Tax due
Finance	Prior Year Gross Receipts X .0058=Tax due
Personal Service	Prior Year Gross Receipts X .0036=Tax due
Professional Service	Prior Year Gross Receipts X .0058=Tax due
**Real Estate Service	Prior Year Gross Receipts X .0058=Tax due
Repair Service	Prior Year Gross Receipts X .0036=Tax due
Retail Merchant	Prior Year Gross Receipts X .0020=Tax due
Short Term Rental	Prior Year Gross Receipts X .0020=Tax due
Utility Service Companies	Prior Year Gross Receipts X .5%=Tax due
Wholesale Merchant	Preceding calendar year Purchases X .0013=Tax due
Flat Fee Licenses:	
Tobacco	\$ 10.00
Wine & Beer On & Off	\$ 100.00
Wine & Beer On	\$ 50.00
Wine & Beer Off	\$ 50.00
Number of Seats Approved by ABC Board for mixed Beverages:	
Number of Seats: 1-100	\$ 200.00
Number of Seats: 101-150	\$ 350.00
Number of Seats: Over 150	\$ 500.00

Business License Fees Continued		
Flat Fee Licenses Continued:		
Solicitor	\$	15.00
Show & Sale and Flea Markets	\$	30.00
Peddlers	\$	200.00
Itinerant		\$50.00/\$500.00
Regulatory License	\$	150.00
Junk Dealer	\$	200.00
Brewery/Winery	\$	1,000.00
	Call Commissioner of the Revenue	
Other		540-375-3019
Important Dates:		
December 31st Business forms mailed		
February 15th Business Property forms need to be filed and due back to the Commissioner of the Revenue's office. After February 15th a late filing penalty of 10% or \$10.00, whichever is greater, shall be applied to the property bill. This penalty shall become a part of the tax.		
March 1st Business License Renewal and payment are due for the current year.		
May 31st Business Personal Property Payment due.		
Penalty: A penalty of 10% or \$10.00 whichever is greater will be assessed on the unpaid amount and in no case should exceed the amount of the tax due.		
Interest: 10% per annum shall be assessed and collected on the principal and penalties of all such taxes and levies remaining unpaid.		
Failure to Obtain a License is a criminal offense, punishable by fines, imprisonment and /or closure of business.		
*Contractors: The Virginia Workers' Compensation Act, Title 65.2 of the Code of Virginia amendment requires that no business license be issued or reissued to a contractor without proof of compliance. General contractors should submit a list of subcontractor used for jobs in Salem City during the prior year. Title 54.1 of the Code of Virginia: Any contractor who undertakes a bid upon, accept, or offers to accept a single contract or project of \$1,000 or more, must register with the State Board of Contractors.		
**Real Estate Brokers: Pursuant to Virginia Code Section 58.1-37432.2: All brokers claiming exclusions for commissions paid to its agents must identify each agent to whom excluded receipts have been paid and the jurisdiction in the Commonwealth of Virginia to which the agent is subject to business license taxes. This list must be attached in order to subtract exclusions from gross receipts.		
All forms, payment, and information can be found on the City of Salem Commissioner of the Revenue website: www.salemva.gov or https://salemva.gov/Department/Commissioner-of-the-Revenue/Business-Tax .		

Legal Authorization:

Ordinances, Effective dates: (12-02-2021) due to the population increase the business license fee went from \$30.00 to \$50.00 for prior year gross receipts of \$49,000 or below. Any prior year gross receipts over \$50,000 their business license is paid by the tax rate listed above; (01-01-2016 Changed rate on Financial Services); (11-19-2015 Added Flea Markets to the City Code); (10-07-2010); (10-19-2006); (12-07-2000); (03-10-1997); (12-09-1996); (11-16-1994); (10-03-1991); (01-14-1991); (12-10-1990); (08-23-1990); (01-01-1990); (07-04-1985); (04-04-1985); (10-08-1981); (01-01-1981)

Salem City Code, Chapter 22, Article II, Division I, Section 22-36 - 22-84
 Code of Virginia, Title 58.1, Subtitle III, Chapter 37, Section 58.1-3700, 58.1-3703, 58.1-3706