



January 31, 2012

Hampton Roads legislative delegation:

On behalf of Virginia Beach Vision and its 115 business and community leaders, I ask that you **oppose HB 10** that would change the way localities may levy the BPOL tax from one based on business gross receipts to one based on income.

Virginia Beach Vision believes that the existing BPOL Tax is a poorly structured tax that should be replaced with a more equitable tax on business. It also represents a significant source of revenue to local governments that cannot be forfeited. We encourage the General Assembly to provide enabling legislation for a tax alternative that represents an equitable and sustainable replacement source of local revenue. Unfortunately, HB 10 would increase the inequities of this tax.

Changing the BPOL tax from a gross receipts based tax to one based on taxable income, while on its surface this appears a more reasonable option, might well prove just the opposite. Many businesses using techniques such as bonus payments and accelerated depreciation will be able to hide "taxable income" and escape or greatly reduce their BPOL tax burden. S-Corporations, LLCs and Partnerships have no corporate Virginia income tax and would escape the business tax altogether.

For these reasons, I ask that you vote **NO** to **HB 10**.

Jimmy Capps

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Virginia Beach Vision was founded in 1993 by a small assemblage of prominent business and civic leaders who saw the need for a non-partisan, issue-oriented group to provide private sector leadership that would create a vision and advance initiatives necessary to the City of Virginia Beach and the Hampton Roads region's future development, prosperity and quality of life. Today, Virginia Beach Vision's Board of Directors is comprised of 115 business and community leaders.