

This Week in State Tax (TWIST)

October 14, 2024



Virginia: Commissioner Ruling Outlines Applicability of Local GRT

The Virginia Tax Commissioner recently ruled that a disregarded LLC was not subject to the Business, Professional and Occupational License (BPOL) tax because it did not have a definite place of business in Virginia. The BPOL is a tax imposed on businesses and professionals for the privilege of doing business in a locality and is imposed on a separate entity basis. The disregarded LLC, LLC A, performed manufacturing and export activities entirely outside Virginia. It was owned by Parent, a Virginia-based entity, that provided legal, accounting and tax services to LLC A for a fee. In concluding that the disregarded LLC was not subject to the BPOL, the Commissioner first noted that the disregarded status of LLC A was not relevant to the determination of whether the entity was subject to BPOL. The Commissioner ultimately held that the LLC did not have a definite place of business in Virginia because it did not have an office or location at which a regular and continuous course of dealing occurred in Virginia. The fact that Parent's employees were performing services for LLC A from its Virginia headquarters was not material to the determination of whether LLC A had a definite place of business in Virginia. Please contact [Jeremy Jester](#) for more information about [Ruling 24-75](#).

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