

Annual Reduction

Non-Manufacturing Technology Businesses

A qualified *New Technology Business*, shall be entitled to a reduction of its business, professional and occupational license tax imposed against gross receipts derived from its technology business as follows:

- One hundred percent (100%) reduction in year one of operation;
- One hundred percent (100%) reduction in year two of operation;
- Fifty percent (50%) reduction in year three of operation;
- Fifty percent (50%) reduction in year four of operation; and
- Fifty percent (50%) reduction in year five of operation.

A qualified *Divested Technology Business*, shall be entitled to a reduction of its business, professional and occupational license tax imposed against gross receipts derived from its technology business as follows:

- One hundred percent (100%) reduction in the calendar year during which the business is certified as a Qualified Technology Business, prorated as of the effective date of its certification as a Qualified Technology Business;
- One hundred percent (100%) reduction in year two of certification; and
- One hundred percent (100%) reduction in year three of operation but only for such period of time that makes the total duration of the benefits afforded by this chapter to such Divested Technology Business equal to two (2) years.

A qualified *Expansion Technology Business*, shall be entitled to a reduction of its business, professional and occupational license tax imposed against gross receipts derived from its technology business as follows:

- Fifty percent [50%] reduction in each business tax year for which the new jobs incentive threshold is met but in no event shall the benefits afforded to the Expansion Technology Business be provided more than five [5] business tax years in any consecutive ten [10] year period after the business' initial application for certification.

Manufacturing Technology Businesses

Any advanced manufacturing business, New, Divested or Expansion, that is not subject to business professional and occupational license tax and that is certified as a qualified technology business shall be entitled to a reduction of its machinery and tools tax imposed by Section 24-3 of the Norfolk City Code against gross receipts derived from its Technology Business by an amount equal to the amount

such Qualified Technology Business would have received under Section 45.6-6(1) above if it were subject to business professional and occupational license tax; provided, however, if such benefit amount is greater than the machinery and tools tax that would otherwise be payable by such Qualified Technology Business, such excess amount may not be rolled over to any subsequent year, and in any event the benefits provided are subject to the limitation of Section 45.6-6(1)(d) above. In no event shall the benefits afforded to a Qualified Technology Business pursuant to this Chapter 45.6 be greater than One Hundred Thousand and 00/100 Dollars (\$100,000.00) in any given year of certification, and a Qualified Technology Business may not roll over any benefits which are in excess of such \$100,000.00 cap or which are not provided due to the five (5) year cap on Expansion Technology Businesses to any successive years.

The tax reduction shall begin as of the month of certification of a technology business as a qualified technology business by the city manager or designee. To maintain eligibility for the tax reduction after year one, **the business must reapply annually to the city manager or designee** to demonstrate that it continues to be a qualified technology business. The tax reduction provided in this section shall apply to a qualified technology business for no more than five (5) calendar years, including any partial initial calendar year.

Conditions

- The qualified technology business must file a business license application annually with the Commissioner of the Revenue and shall provide the commissioner with an annual certification from the City Manager or designee that the business is a qualified technology business.
- The amount of gross receipts estimated to be earned from qualified technology business activities must be set out in the license application and shall be subject to verification by the Commissioner of the Revenue by auditor inspection of documents.
- All business license tax reductions are subject to adjustment by the Commissioner of the Revenue based on actual gross receipts earned from qualifying technology business activities. If a business is certified a qualified technology business prior to payment of its business license tax liability to the city, such tax liability shall be reduced according to the schedule above.
- If a business is certified a qualified technology business after it has paid its business license tax liability to the City in full, it shall receive a refund, without interest, in accordance with the schedule above. No

local taxes or fees may be outstanding at the time of application for the business license and reduction.

- If a business ceases to be a qualified technology business during a calendar year in which tax reductions apply, business license taxes shall be payable at one hundred percent (100%) of the tax amount imposed by Chapter 24, Article II-A of the Norfolk City Code from the month the business ceased to be qualified until the end of the calendar year.