



*Office of the Commissioner of
the Revenue*

Ruth L. Easley, Commissioner

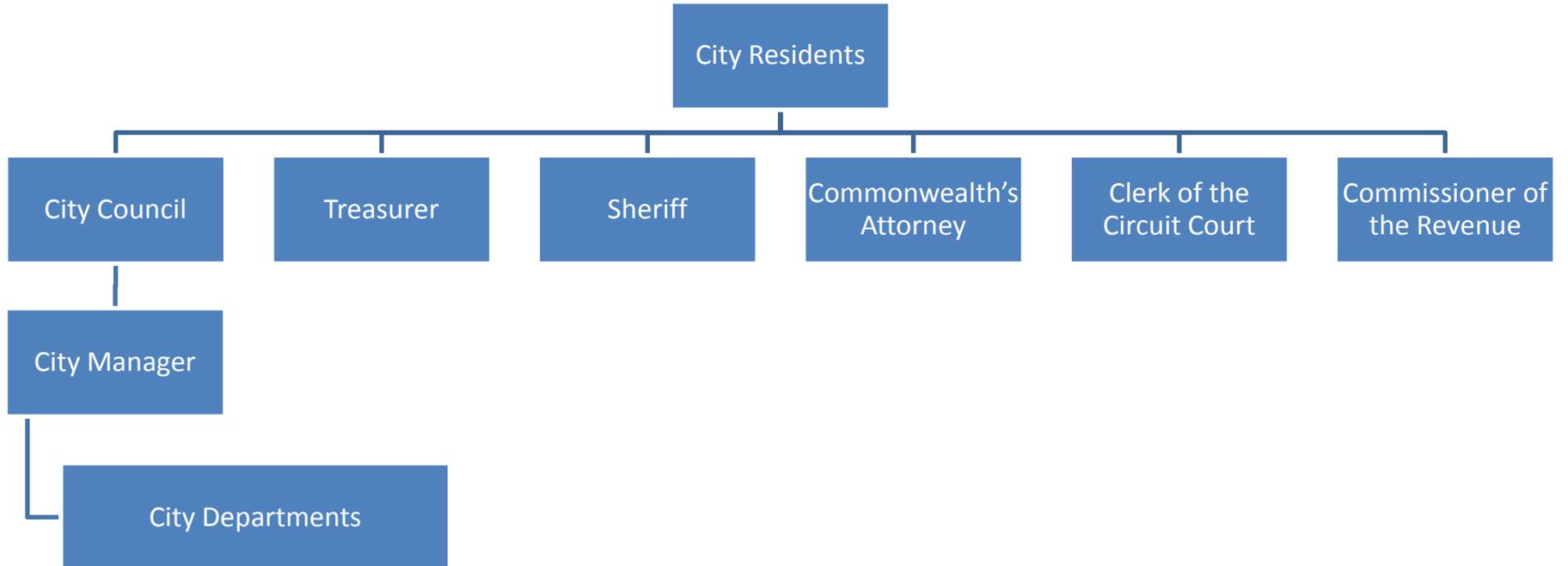
Constitutional Officer Defined

- The Virginia Constitution provides that there *shall* be 5 locally-elected offices – Treasurer, Sheriff, Commonwealth’s Attorney, Clerk of the Circuit Court and the Commissioner of the Revenue.
- The principle reason that constitutional officers are elected is the same as our democratic form of government -- to ensure that there is a separation of powers with the officers directly accountable to the people.
- The Virginia Constitution allows the Virginia General Assembly the authority to define the duties and compensation of these offices.

“I know of no safe depository of the ultimate powers of society but the people themselves.”

-- Thomas Jefferson (1820)

Structure of Local Government



What IS a Commissioner of the Revenue?

- The Commissioner of the Revenue is one of 5 locally-elected Constitutional Officers.
- The Commissioner of the Revenue is the chief assessing officer for a locality.
- The Commissioner of the Revenue IS NOT the tax collector – that duty is reserved for the City Treasurer, another locally-elected Constitutional Officer in the City of Martinsville.

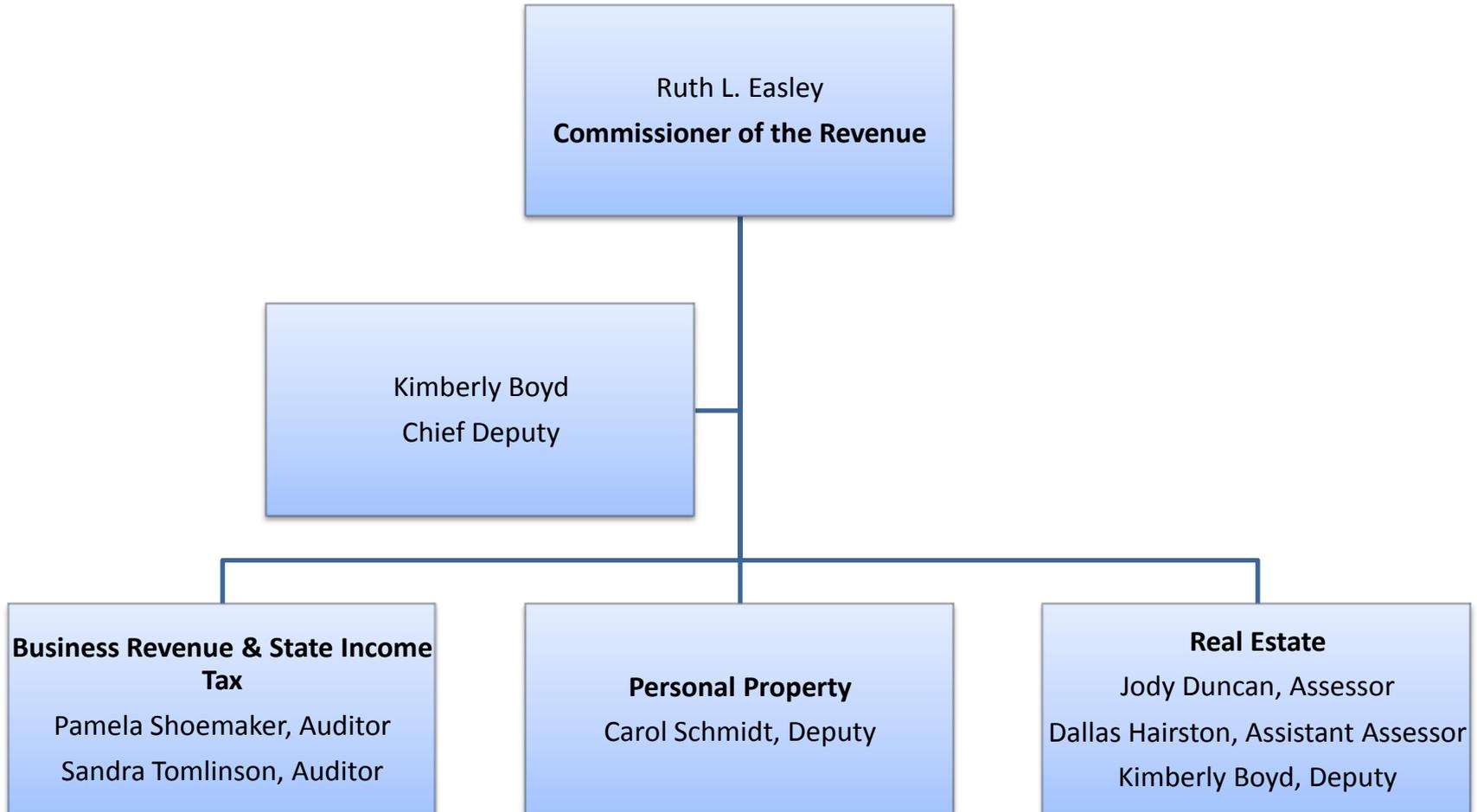
History

- In the early 1600's, sheriffs were responsible for not only law enforcement, but the listing of taxable people and property AND tax collection.
- In 1786, after several revisions in addressing the assessment process, the Virginia General Assembly created Commissioners of Revenue, though sheriffs continued to collect the taxes assessed until 1870 when the elected office of Treasurer was created in the Virginia Constitution.
- In 1851, Commissioners of the Revenue acquired constitutional stature.
- By the 1930's, the office of Commissioner of the Revenue took its current shape of each independent city and county having one Commissioner who is elected for four years and paid a salary which is determined by the Virginia General Assembly.

Duties of Commissioner of the Revenue

- The primary statutes that delineate the duties of the Commissioner of the Revenue are found in the Code of Virginia §58.1 (Taxation).
- Commissioners of the Revenue are responsible for administering the tax policy decisions of the locally-elected governing body. City Council's policy authority is constrained by the Virginia General Assembly through enabling statutes and the City Charter.
- The local governing body nor the local governing body's manager/administrator can require a Constitutional Officer to perform duties other than those required under state law without the consent of the officer. Nor can the officer's duties and powers be diminished by the local governing body.

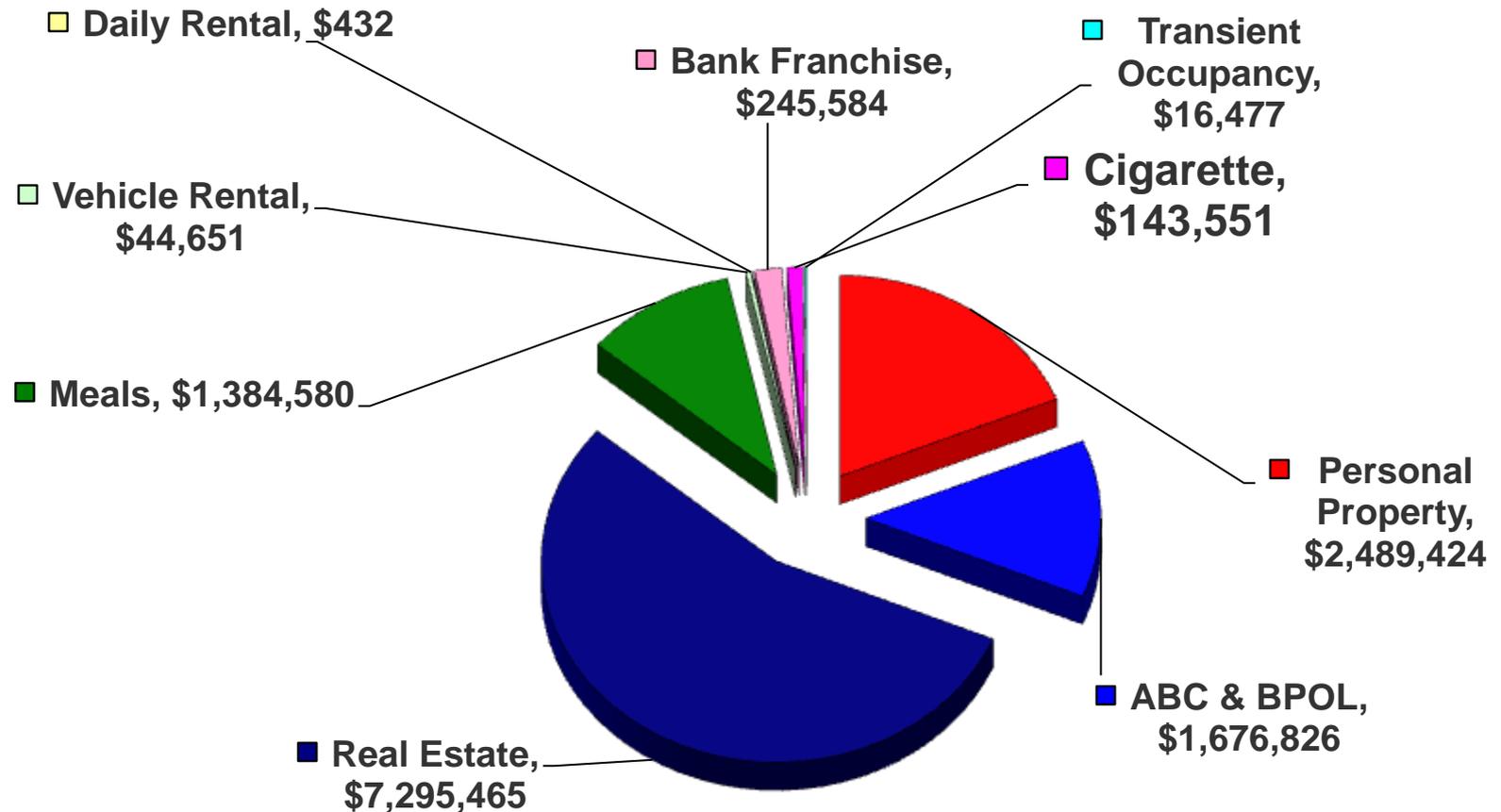
Commissioner's Office Organization



Taxes Administered by the Martinsville Commissioner of the Revenue

- Tangible Personal Property Tax
- Machinery & Tools Tax and Business Equipment Tax
- Real Estate Tax and Real Estate Exemption Programs
- Public Service Corporation Tax
- Business Licensing
- Meals Tax
- Bank Franchise Tax
- Lodging Tax
- Local Cigarette Tax in conjunction with the City Treasurer
- Short-Term Rental Tax
- Motor Vehicle Rental Tax
- Virginia Income Tax – Local Filing and Assistance Provided

Tax Assessments Administered by Commissioner of the Revenue Fiscal Year 2009-2010 Assessments



Total Assessments: \$13,296,990

State Taxes With Local Impact

- **State Income Tax** – Many Commissioners of the Revenue offer assistance with completing your State Income Tax Return and you can file your paper returns with these offices. We do have access to state tax return records to see what the status of your return is and also offer assistance if you have a problem with the return.
- **State Sales Tax** – Commissioners of the Revenue do get monthly reports from the State Tax Department on sales tax reporting. The Commissioner can review the local 1% allocation to make sure that it coming back to the correct locality.
- **Communications Sales Tax** – Commissioners also get this monthly distribution report to review for allocation purposes.

Checks and Balances

- The governing body relies on the fair and equitable discovery and assessment of local taxes to provide revenue; however, the Commissioner of the Revenue does not establish the tax rates levied. That is a duty reserved specifically for the City Council.
- Individual assessments can be challenged by the taxpayer to the Commissioner of the Revenue, to the Courts or to the State Tax Commissioner.
- The Commissioner's job performance is evaluated every four years at the ballot box.
- Additionally, the Commissioner of the Revenue is audited annually by both the local auditors and the state auditors to ensure that the office is properly handling public funds.

Example of Separation of Powers

Assessment × Tax Rate =

Annual Real Estate Tax Paid by Residents

Assessment determined by assessors in Commissioner of the Revenue office based on analyzed sales, replacement cost and income data.

Tax Rate determined by City Council after determining the revenue needs to meet the approved expenditures during the annual budget process.

Assessed Tax Collected by the City Treasurer

Our Commitment to the People We Serve

“Government is a trust and the officers of the government are trustees; both the trust and the trustees are created for the benefit of the people.”

-- Henry Clay, American Statesman