

Henrico County Tax Summary (7/1/25)

Real Estate Tax

Henrico's real estate tax rate has not increased since 1978; it has decreased multiple times since.

Henrico County's current real estate tax rate is **83¢ per \$100 of assessed value** – lower than many areas in the northeastern U.S. and very competitive with other southeast U.S. locations.

There are seven Sanitary Districts within the County on which an additional tax is levied on real estate and personal property for the provision of streetlights for:

- District 2: \$0.003 per \$100.00 of assessed value
- District 3: \$0.010 per \$100.00 of assessed value
- District 3.1: \$0.031 per \$100.00 of assessed value
- District 12: \$0.010 per \$100.00 of assessed value
- District 23: \$0.010 per \$100.00 of assessed value
- District 63.1: \$0.019 per \$100.00 of assessed value
- District VCC: \$0.030 per \$100.00 of assessed value

Business and Professional Licenses Tax (BPOL)

Henrico County's business license tax rate (also known as BPOL) reflects our pro-commerce environment. If the gross receipts of the business are \$1,000,000* or less, an application shall be required to be filed, but no tax shall be due or paid. The tax rate varies based on the nature of the business. Examples of business license tax rates follow.

Business Classifications:

- Retail and Commission Merchants
- Business and Miscellaneous Services (e.g., Accountant, Business Management, Paralegal)
- Personal Services (e.g., Advertising, Barber Shop, Caterer, Nursing Assistant)
- Professional Services (e.g., Architect, Engineer, Optometrist, Physician, Surveyor)
- Scientific Research and Development
- Other Money Lenders
- Hotels and Motels

Tax rate for the above business types is \$0.20 per \$100 of gross receipts exceeding \$1,000,000*.

Wholesale Merchants:

The first \$1,000,000* of gross purchases is excluded from the tax for the item.

- \$25 on the first \$10,000
- \$0.20 per \$100.00 for \$10,001 to \$5,000,000
- \$0.15 per \$100 for \$5,000,001 to \$15,000,000
- \$0.10 per \$100 for \$15,000,001 to \$25,000,000
- \$0.05 per \$100 for \$25,000,001 to \$50,000,000
- \$0.025 per \$100 for \$50,000,001 to \$100,000,000
- \$0.0125 per \$100 for \$100,000,001 and over

Others:

- Fee Basis Contractor: \$1.50 per \$100.00 of gross receipts exceeding \$1,000,000* or \$30.00, whichever is greater
- Contract Basis Contractor: \$0.15 per \$100.00 of gross receipts exceeding \$1,000,000* or \$30.00, whichever is greater
- Utility Companies (including cellular telephone companies): \$0.50 per \$100 of receipts exceeding \$1,000,000* or \$30.00, whichever is greater

Tangible (Business) Personal Property Tax

Under Virginia State Law, all tangible personal property owned by individuals and companies and located in the County of Henrico on January 1 of each year are subject to tax. Tangible personal property tax rate varies based on the operations of the business.

Non-Manufacturers:

Business Personal Property Tax is levied on all furniture, fixtures, tools, signs, and equipment used in the conduct of business.

The base rate applicable to this class of property is currently **\$3.35 per \$100** of assessed value. Assessed value of business personal property is determined by original cost and date of purchase. To determine the assessment, multiply the reported purchase cost by the percentages shown below in Schedule 80 or 85 based on property classification.

Henrico follows an accelerated depreciation schedule for Business Personal and Mainframe Computers and Peripheral Equipment. Schedule 85 allows for computer equipment to aggressively depreciate in value over five years.

Year of Purchase	Schedule 80 (Tangible personal property)	Schedule 85 (Computer equipment)
2024	80%	75%
2023	74%	55%
2022	68%	38%
2021	59%	26%
2020	51%	18%
2019	44%	8%
2018	36%	8%
2017	29%	8%
2016	24%	8%
2015 & Prior	14%	8%

Manufacturers:

In Henrico County, manufacturers are taxed on the machinery and tools used in the manufacturing, processing or reprocessing, mining, radio or television broadcasting, dairy, dry-cleaning, or laundry business. Manufacturers are not taxed on personal property beyond their machinery and tools (e.g. fixtures, computer equipment, etc.).

The **Machinery & Tools Tax (M&T)** rate is currently **30¢ per \$100** of assessed value. To determine the assessment, multiply reported purchase cost by percentage corresponding to the year acquired. The rates applied are as follows:

Year of Purchase	Depreciation Rate	Effective Tax Rate (per \$100)
2024	80%	\$0.24
2023	77%	\$0.23
2022	72%	\$0.22
2021	64%	\$0.19
2020	56%	\$0.17
2019-2015	25%	\$0.08
2014-2013	17%	\$0.05
2012 – 2011	15%	\$0.05
2010 & Prior	14%	\$0.04

Data Centers:

In Henrico County, data center computers and peripheral equipment are taxed separately from other property (for data centers with at least one megawatt of electrical power capacity). The tax rate applied to data center equipment is **\$2.60 per \$100** of the assessed value. This rate includes equipment that is necessary for a data center to function, including power supply equipment and cooling systems. The tax rate applied to data centers is subject to the aggressive depreciation, Schedule 89, found below:

Year of Purchase	Schedule 89 - Computer equipment and peripherals used in a data center
2024	50%
2023	30%
2022	20%
2021 & Prior	10%

Research, Development, Production, or Provision of Biotechnology Services:

In Henrico County, the tax rate applied to R&D equipment is **90¢ per \$100** of the assessed value.

Vehicles:

Business and personal vehicles are taxed at **\$3.35 per \$100** of assessed value. Assessed value of trucks with gross weight greater than 14,000 pounds is based upon the original cost and the depreciation schedule below. For qualified non-business vehicles assessed at more than \$1,000, tax relief will be given at a rate of 42% (up to a maximum of \$20,000 in assessed value) for 2024. The vehicle must not be used for more than 50% business purposes.

Year of Purchase	Depreciation Rate	Effective Tax Rate (per \$100)
2025	85%	\$2.89
2024	75%	\$2.55
2023	60%	\$2.04
2022	50%	\$1.70
2021	40%	\$1.36
2020	30%	\$1.02
2019 & Prior	20%	\$0.68

Utility Consumers' Tax

Electric

- Residential – \$0.70 plus the rate of \$0.007537 per kilowatt hour delivered not to exceed a maximum monthly tax of \$1.00
- Master Metered Units w/Residential Use – \$0.70 plus the rate of \$0.007537 per kilowatt hour delivered not to exceed a maximum monthly tax of \$1.00 per dwelling unit
- Commercial – \$1.15 plus the rate of \$0.00713 per kilowatt hour delivered not to exceed a maximum monthly tax of \$10.00
- Industrial – \$1.15 plus the rate of \$0.007603 per kilowatt hour delivered not to exceed a maximum monthly tax of \$10.00

Natural Gas

No tax is imposed by Henrico County on the use of gas in either residential or commercial areas.

Other Business Related Taxes

- **Aircraft tax** is assessed on the basis of cost and date acquired. The base tax rate of aircraft is currently **50¢ per \$100** of assessed value.
- A **6% Retail Sales and Use Tax** is imposed on retail consumer sales. Henrico receives 1% of the 6% sales tax, and 0.7% is apportioned for a regional state tax for transportation needs.
- **Hotel/motels** collect an **8% tax** on the cost of room rentals. Hotels with 41 or more rooms collect an **additional 2%** for the **Tourism Improvement District Fee**.
- Henrico imposes no personal income tax.