
Dear Southampton County Voter,

On November 3, 2009 the following question will be placed on the ballot for your consideration:

GENERAL ELECTION Tuesday, November 3, 2009

Food and Beverage Tax

QUESTION: Shall Southampton County be authorized to levy a tax within the County, but not including the towns of Boykins, Branchville, Capron, Courtland, Ivor and Newsoms, as permitted by Section 58.1-3833 of the 1950 Code of Virginia, as amended, on foods and beverages sold for human consumption by restaurants and on prepared sandwiches and single-meal platters sold at delicatessen counters by grocery stores and convenience stores not to exceed four percent of the amount charged for such food and beverages to be applied toward the financing, maintenance and construction of County and Southampton County public school capital projects?

YES

NO

This pamphlet has been prepared at the direction of the Board of Supervisors, pursuant to § 24.2-687 of the Code of Virginia, and is intended to answer some of the most commonly asked questions, not to advocate either the passage or defeat of the referendum question.

1. Why is this matter subject to a referendum?

While cities and towns are already authorized to levy a food and beverage tax under the general taxing powers found in their respective charters, § 58.1-3833 of the 1950 Code of Virginia provides that counties may impose a food and beverage tax only if approved in a voter referendum.

2. Who initiated the referendum?

The referendum was initiated by a resolution adopted by the Southampton County Board of Supervisors on April 27, 2009.

3. What prompted the Board of Supervisors to do that?

The Board of Supervisors continues to be concerned about its increasing reliance on property taxes, particularly those levied on real estate and automobiles, to fund local programs, services and capital projects. The Code of Virginia limits the types of taxes and fees that a local government may impose. A food and beverage tax may provide the county an opportunity to become less reliant on property taxes, and shift some burden to tourists, visitors and commuters that patronize local restaurants.

4. How much annual revenue would a food and beverage tax in Southampton County generate?

Based on an estimate by our Commissioner of the Revenue, a 4% meals tax in Southampton County would likely generate between \$150,000 and \$160,000 annually, the equivalent of 1.1¢ on the real estate tax rate.

5. Is this a tax on groceries?

No. The food and beverage tax only applies to prepared foods. In addition to food served at restaurants, a food and beverage tax applies to grocery and convenience stores selling prepared food at a delicatessen. It does not apply to food and beverages sold through vending machines, food prepared and sold by churches, civic organizations, fire departments and rescue squads, or cafeterias in public schools and nursing homes.

6. Would this tax be unique to Southampton County?

On the local level, the counties of Greensville and Isle of Wight and the cities of Franklin, Suffolk and Emporia already impose a food and beverage tax. So, if you're dining in those localities, you're already paying it, but the tax goes to

support programs and projects in those communities. **At this writing, 40 of the 95 counties in Virginia are authorized to impose a food and beverage tax in their communities.**

7. What effect would this have on an average Southampton County resident?

On a \$5 fast-food meal, the proposed 4% tax equates to an additional 20 cents. On a \$25 dinner for two, it equates to an extra \$1. Again, if you're dining out in Suffolk, Franklin, Emporia, Greensville County or Isle of Wight County, you're already paying it. The respective rates in Franklin, Suffolk and Emporia are 6.5% and 4% in Greensville and Isle of Wight counties.

8. Would the tax apply to alcoholic beverages?

The tax applies only to alcoholic beverages consumed on-premises with a meal. Alcoholic beverages sold in factory sealed containers for off-premises consumption are not subject to the tax.

9. If approved, when would the tax become effective?

Approval of the referendum does not automatically impose the tax - approval only authorizes the Board of Supervisors to consider one. Even if approved, a food and beverage tax cannot be imposed until such time as the Board of Supervisors convenes and conducts a public hearing, and subsequently adopts a local ordinance to impose the tax.

10. The referendum question excludes the six incorporated towns in Southampton County. Why?

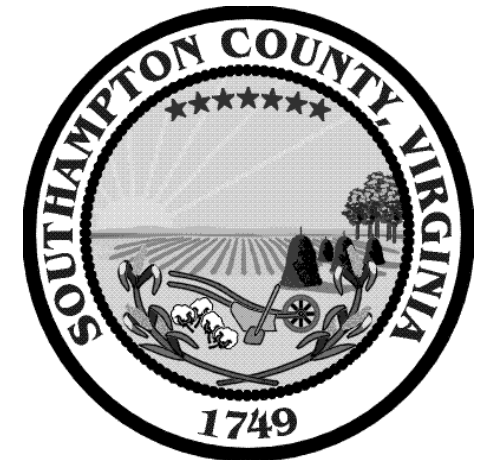
By state law, counties are restricted in their authority to levy a food and beverage tax within the limits of an incorporated town, unless the town grants the county the authority to do so.

11. What would the money generated by the tax be used for?

All money generated by a food and beverage tax would be directly applied to financing, maintenance and construction of county-owned buildings, including schools.

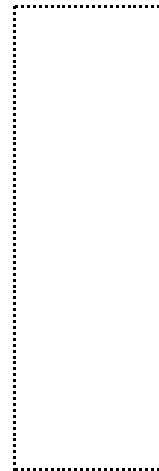
IMPORTANT

VOTER INFORMATION



FOR SOUTHAMPTON COUNTY VOTERS

SOUTHAMPTON COUNTY
P. O. BOX 400
COURTLAND, VA 23837



Referendum for Southampton County Voters November 3, 2009 Food and Beverage Tax

- Only applies to prepared food and beverages at restaurants, delicatessens and convenience stores - not a grocery tax
- Provides an opportunity for Southampton County to become less reliant on real estate and personal property taxes and shift some burden to tourists, visitors and commuters
- Expected to generate between \$150,000 and \$160,000 annually, the equivalent of 1.1 cents on the real estate tax rate, and would be used to finance, construct and maintain county buildings, including schools
- Would grant Southampton County the same authority that already exists in Suffolk, Franklin, Emporia, Greensville County and Isle of Wight County
- Does not apply to establishments located within any of the six incorporated towns in Southampton County - Boykins, Branchville, Capron, Courtland, Ivor and Newsoms

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