TOWN OF Herndon VIRGINIA

Town Council Regular Meeting
Agenda Item 5.a.

Agenda Item: **Ordinance 26-O-23 to amend Chapter 30 (Finance and Taxation), Article IX (Meals Tax), Section 30-403 (Report of Collections and Remittance of Tax) and Section 30-407 (Violations; Liability of Officers; Penalties and Interest) to clarify due dates, payment deadlines and current practices for penalties and interest calculation**

Meeting Date: October 27, 2026

Category: Consent

Prepared by: Marjorie Sloan, Finance Director

Description:
Finance has proposed several administrative updates to the Town Code related to the payment of Meals Tax.

Background/Timing Impact:
Over the past two years, Finance has expanded the payment methods offered town businesses for the reporting and payment of Meals Tax. To ensure that the Town Code is fully aligned with current practices and system capabilities, Finance has reviewed the Town Code and proposed updates that will clarify due dates and payment deadlines across the offered payment and reporting options available. Technology has provided wider windows to accommodate on-time payments. In addition, the proposed edits eliminate practices that the current General Ledger cannot accommodate and clarifies the current practices for penalties and interest calculation.

Timing Impact
Clarification of reporting and remittance deadlines are effective upon adoption.

Strategic Focus Area:
Strong Fiscal Stewardship

Fiscal Impact:
The proposed ordinance provides administrative clarifications. There is no fiscal impact to the proposed updates.

Legal Impact:
The Town Council must adopt the ordinance to update the Town Code.

Staff Recommendation/Next Steps:
Staff recommends adoption of the proposed ordinance.

Attachments:
1. Ordinance (Proposed)