

## POSSIBLE TAX CUTS IN ARLINGTON TO ENTICE ADVERTISING FIRMS



### ARLINGTON VIRGINIA

The Arlington County area has been looking for a way to keep advertising firms afloat. The county is looking to make tax cuts in certain areas, and even more specifically, media buys. Advertising agencies need media buys, and the revenue from this will often go to the specific network or newspaper that ends up featuring the advertisement, according to The Washington Business Journal. Keeping this information in mind, the Business, Professional and Occupancy Licensing tax was cut back in 2004, a total of eight years ago. The tax was cut for specific advertising firms, which included those that could prove that at least 50 percent of their gross revenue was used toward media buys. The tax was dropped down from a total of 36 cents to a total of 20 cents instead, each time there were \$100 worth of the gross revenue receipts. By making this decision, the county believed that would be able to find more people who were interested in building firms within the county. Unfortunately, the plan did not work for Arlington. At this point in time, there are two different advertising companies that currently qualify for the tax cuts. There are also less advertising agencies located in the Arlington area now than there was back in 2004, which is not a good sign. There are other counties, including Montgomery County, that do not even have a BPOL tax. Many of those counties are home to creative and innovative advertising agencies that seem to be doing well. These different areas are not taxing the media buys at all. There is only one leading agency that is actually located in Arlington, which happens to be LM&O Advertising. The county staff created a reported and they stated, "When advertising agencies consider their options, Arlington's tax structure puts the county at a severe disadvantage to other localities because of the burden on business license tax." The county staff also wrote, "In fact, once a company attains a certain critical mass, the BPOL tax liability can become one of the single largest expenses for an organization. In addition, these companies may see more affordable lease rate options in neighboring jurisdiction as a compelling factor to locate their business elsewhere." In the meantime, Arlington is trying to be more competitive about improving its economy. The county needs to be able to establish companies that already exist while attracting new companies to be created and developed within the area. The county believes that a tax cut can drastically help with the process of gaining more attention from advertisers, and getting them interested in opening up shop in the area. Want to see which Advertising Agency jobs are available near you? [Click here](#) to see.