

VM-2 Package

This package contains the following:

- VM-2 Virginia Vending Machine Dealer's Sales Tax Return
- VM-2A Virginia Vending Machine Dealer's Sales Tax Worksheet
- VM-2B Schedule Of Local Taxes

After you have completed the return (and sign it), the voucher and the schedule, mail them with your payment to:

**Virginia Department of Taxation
P.O. Box 26627
Richmond, VA 23261-6627**

The return and the voucher both must be returned, even if no tax is due.

DO NOT send the Worksheet (VM-2A) - maintain it as part of your records.

Form VM-2

**Virginia Vending Machine Dealer's
Sales Tax Return**



Do NOT staple.

For assistance, call (804)367-8037.

Mail completed forms (the return, the voucher, Form VM-2B and payment) to:

**Virginia Department Of Taxation
Vending Machine Sales Tax
PO Box 26627
Richmond, VA 23261-6627**

Account Number _____

Period _____

Name _____

Due Date _____

Column A - Item	Column B - State	Column C - Local
1 Cost of Tangible Personal Property 1		
2d Total Deductions 2d		
3 Total Taxable Amount 3		
4 Tax State - General Sales and Use Tax Rate (Column B) • For periods beginning on or after September 1, 2004, use 5% (.05) • For periods ending on or prior to August 31, 2004, use 4.5% (.045). Local - General Sales and Use Tax Rate (Column C) All Filers - 1% (.01) 4		
5 Dealer's Discount 5		
6 Net Tax Due (Line 4 - Line 5b) 6		
7 Penalty For Late Filing & Payment 7		
8 Interest For Late Filing & Payment 8		
9 Total Tax, Penalty and Interest Due (Line 6 + Line 7 + Line 8) 9		
10 Total Amount Due (Line 9, Col. B + Col. C) Also, enter this amount below on the voucher. 10		

Check if Out-of-Business and enter the termination/sold date _____

Declaration and Signature

I declare that this return (including accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is true, correct and complete.

Signature _____

Date _____

Phone Number _____

Form VM-2V Virginia Vending Machine Dealer's Sales Tax Voucher
(Doc ID 232)

Period _____ Due Date _____

Required:

**Send the signed return (above) and
this voucher, even if no tax is due.**

0000000000000000 2328888 000000

Account Number _____

Name _____

Address _____

City, State, ZIP _____

**Total Amount Due
(Line 10 of above return.)**

Virginia Form VM-2A

Vending Machine Dealer's Sales Tax Worksheet

Name _____

Account No. _____

Period _____

Return and payment due on 20th of month following end of period.

File and pay your taxes over the Internet! It is fast, free, and secure.

Sign-up today...you're just a click away.



www.tax.virginia.gov

- Read instructions on reverse side before preparing this worksheet.
- Transfer lines indicated by the arrows to the corresponding line number on Form VM-2, **Virginia Vending Machine Dealer's Sales Tax Return**.

A. Item		B. State		C. Local																					
1.	Enter the cost price and/or manufactured cost of tangible personal property sold through vending machines. [Enter on Form VM-2, Line 1]				\$																				
2.	Allowable Deductions:																								
2a.	a. Cost price and/or manufactured cost of tangible personal property sold through vending machines during this period and returned by purchaser during this period, if included in Line 1. (See instructions)																								
2b.	b. Cost price and/or manufactured cost of tangible personal property sold through vending machines and returned during this period on which tax was paid in a prior period. (See instructions)																								
2c.	c. Enter any other deductions allowed by law. (Attach schedule to worksheet.) s																								
2d.	d. Total Deductions - Sum of Lines 2a, 2b and 2c [Enter on Form VM-2, Line 2d]				\$																				
3.	Taxable Amount - Line 1 less Line 2d [Enter on Form VM-2, Line 3]				\$																				
4.	Tax Enter in Col. B the state tax computed by multiplying the amount from Line 3 by: For periods beginning on or after September 1, 2004, enter 4% (.04) . For periods ending on or before August 31, 2004, enter 3.5% (.035) . Enter in Col. C the local tax computed by multiplying the amount from Line 3 by 1% (.01) . [Enter on Form VM-2, Line 4]				\$																				
5a.	Dealer's Discount Rate - Dealer's discount is allowable only when your return and payment are made on time. See instructions. Enter the discount rate on Line 5a. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2">Total Monthly Taxable Sales From All Locations</th> <th colspan="2">Dealer's Discount Rate</th> </tr> <tr> <th>Is At Least</th> <th>But Less Than</th> <th>Beginning On Or After 9/1/04</th> <th>Ending Prior To Or On 8/31/04</th> </tr> </thead> <tbody> <tr> <td>\$0</td> <td>\$62,501</td> <td>.032</td> <td>.0356</td> </tr> <tr> <td>\$62,501</td> <td>\$208,001</td> <td>.024</td> <td>.0267</td> </tr> <tr> <td>\$208,001</td> <td></td> <td>.016</td> <td>.0178</td> </tr> </tbody> </table>	Total Monthly Taxable Sales From All Locations		Dealer's Discount Rate		Is At Least	But Less Than	Beginning On Or After 9/1/04	Ending Prior To Or On 8/31/04	\$0	\$62,501	.032	.0356	\$62,501	\$208,001	.024	.0267	\$208,001		.016	.0178				
Total Monthly Taxable Sales From All Locations		Dealer's Discount Rate																							
Is At Least	But Less Than	Beginning On Or After 9/1/04	Ending Prior To Or On 8/31/04																						
\$0	\$62,501	.032	.0356																						
\$62,501	\$208,001	.024	.0267																						
\$208,001		.016	.0178																						
5b.	Dealer's Discount - Multiply Line 4, Column B by Line 5a. [Enter on Form VM-2, Line 5, Column B]				\$																				
6.	Net Tax Due - Line 4 less Line 5b. [Enter on Form VM-2, Line 6]				\$																				
7.	Penalty for Late Filing and Payment - See instructions [Enter on Form VM-2, Line 7]				\$																				
8.	Interest for Late Filing and Payment - See instructions [Enter on Form VM-2, Line 8]				\$																				
9.	Total Tax, Penalty and Interest - Add Lines 6, 7, and 8 [Enter on Form VM-2, Line 9]				\$																				
10.	Total Amount Due - Line 9, Column B plus Line 9, Column C [Enter on Form VM-2, Line 10]				\$																				

Worksheet is for your records only. Do NOT mail.

Virginia Vending Machine Dealer's Sales Tax Return Worksheet Instructions

What's New: The state sales and use tax rate on vending machine sales increased from 4.5% to 5%, effective September 1, 2004. This change results in a combined state and local tax rate of 6% (5% state tax and 1% local tax).

The initial purchase of telephone calling cards is subject to the Virginia sales and use tax effective July 1, 2004. The charge for the renewal, recharge or replenishment to obtain additional minutes, subsequent to the initial purchase, is not subject to tax. The charge for the replenishment is exempt regardless of whether the transaction is done in person, over the telephone, or over the Internet. Dealers who sell telephone calling cards through vending machines are required to remit tax based upon the cost price of the calling cards. Telephone calling cards, subject to the sales tax, are not subject to any other state and local utility taxes.

General: These forms should be used to compute and report the sales tax on tangible personal property sold through vending machines for the locality shown on the Vending Machine Dealer's Sales Tax Return, Form VM-2. Form VM-2B is used to allocate the 1% local tax and must be filed with Form VM-2. This worksheet, Form VM-2A, should be kept with your tax records.

Do not report on these forms non-vending machine sales or use tax on non-taxed purchases. Non-vending machine sales (such as wholesale sales, over-the-counter sales, etc.) must be reported separately on the Retail Sales and Use Tax Return, Form ST-9 along with use tax for the locality shown on the return. Use tax accrued in a locality for which you do not hold a sales tax registration must be reported on a Consumer's Use Tax Return, Form ST-7.

Filing Procedure: Mail Form VM-2 with your payment to the **Department of Taxation, P.O. Box 26626, Richmond, Virginia 23261-6626**, or deliver to your local commissioner of the revenue or treasurer, as soon as possible after the close of the reporting period but not later than the 20th day of the following month. **A return must be filed for each reporting period even if no tax is due.**

Payments returned by the bank will be subject to a returned payment fee in addition to any other penalties that may be incurred.

Change of Ownership: If there has been a change of ownership, do not use the return with the name and account number of the former owner. Send the return with notice of change to the **Virginia Department of Taxation, P.O. Box 1114, Richmond, Virginia 23218-1114**. You can register a new dealer and/or locations, by either completing a Form R-1, Business Registration Application, or electronically using iReg on the Department's web site, www.tax.virginia.gov.

Change of Address/Out-of-Business: If you change your business mailing address or discontinue your business, either send a completed Form R-3, Registration Change Request, or a letter to the **Virginia Department of Taxation, P.O. Box 1114, Richmond, Virginia 23218-1114**.

Questions: For assistance, call (804) 367-8037 or write to:

**Department of Taxation
P.O. Box 1115
Richmond, VA 23218-1115**

Tenemos servicios disponible en Español.

Forms and instructions are available for download from our web site, www.tax.virginia.gov, or by calling (804) 440-2541.

Explanation of "Cost Price" and "Cost of Manufactured Tangible Personal Property"

If you acquire items for sale through vending machines and resell without further manufacturing or processing, you must compute the tax using the cost price. If you manufacture or process the items sold through vending machines, you must compute the tax using the manufactured/processed cost.

Manufactured/processed cost includes raw material cost plus labor and overhead attributable to the manufacture of the items being sold. The method of accounting used for federal income tax purposes is used to determine manufactured cost. For example, if first-in, first-out is used for federal income tax purposes, this accounting method is used each month in computing cost price and manufactured cost of goods. Proper records must be maintained each month to substantiate cost price and cost of goods manufactured.

Preparation of Worksheet (Form VM-2A) and Return (VM-2)

- Instructions for lines not mentioned below are on the worksheet.
- Transfer the items indicated by the arrows on the worksheet to the corresponding line numbers on Form VM-2.
- Retain this worksheet as a part of your tax records.
- Do not file worksheet with Form VM-2.
- If you are allowed to file a consolidated return, attach the "Schedule of Local Vending Machine Sales Tax," Form VM-2B, to the dealer's return.

Line 1 Enter on Line 1, Columns B and C, the total cost price and/or manufactured cost of tangible personal property sold through vending machines during this period.

Line 2 Deductions:

- a. Enter on Line 2a, Columns B and C, the cost price and/or manufactured cost of tangible personal property sold through vending machines and returned by purchasers, if included in Line 1.
- b. Enter on Line 2b, Columns B and C, the cost price and/or manufactured cost of tangible personal property sold through vending machines and returned during the period on which the tax was paid in a prior period.
- c. Enter on Line 2c, Columns B and C, any other deduction allowed by the Virginia Sales and Use Tax Act.
- d. Enter on Line 2d, Columns B and C, the sum of Lines 2a, 2b and 2c.

Line 3 Enter the amount on which the tax is computed (Line 1 less Line 2d).

Line 4 Enter on Line 4, Column B, the state tax computed on the amount on Line 3. Enter on Line 4, Column C, the local tax computed on the amount on Line 3.

Line 5a Dealer's discount rate is based on total monthly cost of goods sold from all locations. You cannot take the dealer's discount unless you file the return and pay the tax by the due date. No dealer's discount is allowed on local tax. Figure your dealer's discount as follows:

- If you file only one return (including a consolidated return), find your cost of goods sold on Line 3, Column B. Use this number to determine your discount rate from the table on Line 5a, Column A.
- If you file more than one return, add the total monthly cost of goods sold from all locations. Use this number to determine your discount rate from the table on Line 5a, Column A.
- If you file quarterly, add the total quarterly cost of goods sold from all locations. Divide by three to find average monthly cost of goods sold. Use this number to determine your discount rate from the table on Line 5a, Column A.
- Enter your dealer's discount rate on Line 5a, Column B.

Line 5b Enter on Line 5b, Column B, the dealer's discount by multiplying the amount of state tax on Line 4, Column B, by the applicable discount rate determined by Line 5a.

Line 6 Enter the amount of tax due (Line 4 less Line 5b).

Line 7 Enter on Line 7, Columns B and C, penalty for late filing, if applicable. Penalty is computed on the tax in Line 4 at the rate of 6% per month, or fraction thereof, not to exceed 30%. However, in no case shall the penalty be less than \$7.50 in Column B and \$2.50 in Column C. The minimum penalty applies whether or not any tax is due for the period.

Line 8 Enter on Line 8, Columns B and C, interest for late filing, if applicable. Interest is calculated on the amount in Line 4, at the rate established in Section 6621 of the Internal Revenue Code of 1954, as amended plus 2%.

Line 9 Enter the sum of Lines 6, 7, and 8.

Line 10 Enter in the sum of Line 9, Column B and Line 9, Column C.

VM-2B Schedule Of Local Vending Machine Sales Tax



- Do NOT staple.
- Transfer the total amounts to the appropriate lines on form VM-2A.
- List of Virginia counties and cities is printed on reverse side.

Name _____

Address _____

Account Number _____

Filing Period (Year/Month) _____

Locality Name	Code	1 Cost Price And/Or Manufactured Cost Of Tangible Personal Property Sold Through Vending Machines	2d Total Deductions	3 Amount On Which Local Vending Machine Tax Will Be Computed
Total ' 				

List Of Virginia Counties And Cities And Locality Code Numbers

* Please note that five counties have the same name as a city - Bedford, Fairfax, Franklin, Richmond and Roanoke.

Counties

Accomack	51001	Franklin County*	51067	Nottoway	51135
Albemarle	51003	Frederick	51069	Orange	51137
Alleghany	51005	Giles	51071	Page	51139
Amelia	51007	Gloucester	51073	Patrick	51141
Amherst	51009	Goochland	51075	Pittsylvania	51143
Appomattox	51011	Grayson	51077	Powhatan	51145
Arlington	51013	Greene	51079	Prince Edward	51147
Augusta	51015	Greensville	51081	Prince George	51149
Bath	51017	Halifax	51083	Prince William	51153
Bedford County*	51019	Hanover	51085	Pulaski	51155
Bland	51021	Henrico	51087	Rappahannock	51157
Botetourt	51023	Henry	51089	Richmond County*	51159
Brunswick	51025	Highland	51091	Roanoke County*	51161
Buchanan	51027	Isle Of Wight	51093	Rockbridge	51163
Buckingham	51029	James City	51095	Rockingham	51165
Campbell	51031	King And Queen	51097	Russell	51167
Caroline	51033	King George	51099	Scott	51169
Carroll	51035	King William	51101	Shenandoah	51171
Charles City	51036	Lancaster	51103	Smyth	51173
Charlotte	51037	Lee	51105	Southampton	51175
Chesterfield	51041	Loudoun	51107	Spotsylvania	51177
Clarke	51043	Louisa	51109	Stafford	51179
Craig	51045	Lunenburg	51111	Surry	51181
Culpeper	51047	Madison	51113	Sussex	51183
Cumberland	51049	Mathews	51115	Tazewell	51185
Dickenson	51051	Mecklenburg	51117	Warren	51187
Dinwiddie	51053	Middlesex	51119	Washington	51191
Essex	51057	Montgomery	51121	Westmoreland	51193
Fairfax County*	51059	Nelson	51125	Wise	51195
Fauquier	51061	New Kent	51127	Wythe	51197
Floyd	51063	Northampton	51131	York	51199
Fluvanna	51065	Northumberland	51133		

Cities

Alexandria	51510	Fredericksburg	51630	Petersburg	51730
Bedford City*	51515	Galax	51640	Poquoson	51735
Bristol	51520	Hampton	51650	Portsmouth	51740
Buena Vista	51530	Harrisonburg	51660	Radford	51750
Charlottesville	51540	Hopewell	51670	Richmond City*	51760
Chesapeake	51550	Lexington	51678	Roanoke City*	51770
Colonial Heights	51570	Lynchburg	51680	Salem	51775
Covington	51580	Manassas	51683	Staunton	51790
Danville	51590	Manassas Park	51685	Suffolk	51800
Emporia	51595	Martinsville	51690	Virginia Beach	51810
Fairfax City*	51600	Newport News	51700	Waynesboro	51820
Falls Church	51610	Norfolk	51710	Williamsburg	51830
Franklin City*	51620	Norton	51720	Winchester	51840