

VIRGINIA TAX FACTS

Virginia Department of Taxation

Richmond, Virginia

(Revised February 2008)

www.tax.virginia.gov

TABLE OF CONTENTS

I. Introduction

- Mission of the Virginia Department of Taxation
- Virginia's Tax Structure
- State Taxes
- Local Taxes
- Other Major State Taxes and Fees Administered by Other Agencies

II. VATAX Online Services

- VATAX Online for Individuals
- VATAX Online for Businesses and iFile for VEC
- iReg – New Business Registration for Virginia Taxes and Unemployment Taxes
- QuickPay – Bill Payments Online for Businesses and Individuals
- Nonprofit Online

III. E-file

IV. Electronic Funds Transfer

V. Payroll Service Providers/Bulk Files

VI. Income Taxes

- Corporation Income Tax
- Employer Income Tax Withholding
- Fiduciary Income Tax
- Individual Estimated Income Tax
- Individual Income Tax
- Pass-Through Entities
- Registration of Nonresident Property Owners

VII. Transfer Taxes

- Estate Tax
- Probate Tax (Tax on Wills and Administrations)
- Recordation Tax

VIII. Sales and Use Taxes

- Aircraft Sales and Use Tax
- Communications Sales and Use Taxes
- Consumer's Use Tax
- Motor Vehicle Fuel Sales Tax
- Motor Vehicle Repair Labor and Services Tax

SUSPENDED
030108 Please
see www.tax.virginia.gov

- Retail Sales Tax
- Use Tax
- Vending Machine Sales Tax
- Watercraft Sales and Use Tax

IX. Miscellaneous Taxes

- Bank Franchise Tax
- Cigarette Tax
- Tobacco Products Tax
- Corn Assessment
- Cotton Assessment
- Egg Excise Tax
- Forest Products Tax
- Litter Tax
- Peanut Excise Tax
- Rolling Stock Tax on Railroads and Freight Car Companies
- Sheep Assessment
- Small Grains Assessment
- Soft Drink Excise Tax
- Soybean Assessment
- Tire Recycling Fee
- Writ Taxes

X. Local Taxes

XI. Other Major Taxes and Fees Administered by Other State Agencies

XII. Directory

- Central Office and District Office
- Quick Reference Phone and Fax Directory

I. INTRODUCTION

Mission of the Virginia Department of Taxation

Our mission is to serve the public by administering the tax laws of the Commonwealth of Virginia with integrity, efficiency and consistency.

Virginia's Tax Structure

Virginia consistently ranks in the top 20 percent of the states having the lowest tax burdens. The highest tax rate for corporations is 6 percent and the top tax rate for individual income tax is 5.75 percent. Based on 2004 data, the state and local burden for Virginia is \$100 per \$1,000 of personal income. This is \$10.9 below the national average of \$110 per \$1,000 of personal income.¹

Virginia is also known for its extremely stable tax base and rates. The state has not raised its income tax rates since 1972. The sales and use tax rate of 5 percent (4 percent state and 1 percent local) is among the lowest in the country and has been raised only twice since 1968. Nonprescription drugs and proprietary medicines are exempt from state sales and use tax. Effective July 1, 2005, the state sales and use tax rate on food purchased for human consumption was reduced from 3 percent to 1.5 percent. This rate reduction, however, does not affect the local tax rate on such food products, which is currently 1 percent. Virginia has fixed its date of conformity to the Internal Revenue Code as it existed on December 31, 2006.

Key exemptions from the sales and use tax include industrial manufacturing, heating fuel, certain nonprofit organizations, and most services. Consumers are expected to pay a 5 percent use tax on items purchased outside of Virginia and brought into the state for use. This includes items purchased through mail order or items shipped to Virginia from retailers located outside of the state. There is no tax liability for individuals if mail order purchases total \$100 or less during a calendar year.

Virginia has fixed its date of conformity to the Internal Revenue Code as it existed on December 31, 2006. However, Virginia does not conform to the special 30 percent and 50 percent bonus depreciation and the five-year net operating loss carry back provisions of the Job Creation and Worker Assistance Act of 2002. Virginia bases its income taxes on federal taxable income for corporations and federal adjusted gross income for individuals (with modifications if applicable). For estate taxes, a Virginia return must be filed only if a federal estate tax return has to be filed.

State Taxes

The Virginia Department of Taxation administers 30 state taxes, including income taxes, sales and use taxes and miscellaneous excise taxes. The Department is 79 years old and has long been recognized as one of the better-administered tax systems in the country. The Department employs approximately

¹ Federation of Tax Administrators http://www.taxadmin.org/fta/rate/04stl_pi.html

755 classified employees, with a main office located in Richmond and one district office located in Norfolk, Virginia.

Local Taxes

Local taxes in Virginia, including real estate taxes, tangible personal property taxes and utility taxes, are administered separately by the state's cities, counties and towns. More information about local taxes can be found in Section X. of this publication. For additional information on Local Tax Rates visit our website at www.tax.virginia.gov and click on Publications.

Other Major State Taxes and Fees Administered By Other Agencies

For information concerning other state taxes that are not administered by the Virginia Department of Taxation, consult the listing in Section XI.

II. VATAX Online Services

- VATAX Online for Individuals
- VATAX Online for Businesses and iFile for VEC
- iReg – “New” Business Registration for Virginia Taxes and Unemployment Taxes
- QuickPay – Bill Payments Online for Businesses and Individuals
- Nonprofit Online

VATAX Online

VATAX Online offers most Virginians the ability to perform various functions directly with the Department of Taxation. There is no software to download or purchase, and our online services are available seven days a week, 24 hours a day. Customers can save their work and complete it later. In addition, the services are free, easy, fast and convenient.

VATAX Online is available to anyone who has filed Virginia income tax returns in the Commonwealth of Virginia for taxable year 1999 or later.

VATAX Online allows taxpayers to:

- File their income tax returns
- Direct deposit their refunds
- Electronically transfer (withdraw) payment of tax due from their checking or savings account on a specified payment date
- Make a tentative extension payment
- Make, schedule or review quarterly estimated taxes
- Check status of refunds
- Pay bills online or make a payment for a current filing or return
- Correspond securely and confidentially with the Tax Department through our secure messaging system.

VATAX Online for Businesses (www.tax.virginia.gov/Business) allows businesses to:

- File and pay Sales, Use or Employer Withholding taxes using iFile
- Pay Corporate Extension payments
- Pay Corporate Estimated tax payments

- Web payments – make a bill payment, payment for current filing or return.
- Warehouse payments – file the tax return ahead of tax due deadline and instruct TAX to take payments on the deadline date.
- Secure messaging system – correspond securely and confidentially with the Department of Taxation
- File and pay Unemployment Taxes with the Virginia Employment Commission using iFile
- Business Profile Changes – Update or add an address, tax account, location, responsible officers and more

iReg for Businesses (www.tax.virginia.gov/iReg) allows new businesses to register online for the following Virginia taxes:

- 1) Employer Income Tax Withholding
- 2) Corporation Income Tax
- 3) Sales and Use Taxes
 - Retail Sales and Use Tax (In-State Dealers i.e., dealers located in Virginia)
 - Use Tax (Out-of State Dealers i.e., dealers located outside of Virginia)
 - Business Consumer's Use Tax
 - Dealer's Aircraft Sales and Use Tax
 - Motor Vehicle Fuel Sales Tax
 - Tire Tax
 - Vending Machine Sales Tax
 - Dealer's Watercraft Sales and Use Tax
- 4) Pass Through Entity
- 5) Litter Tax
- 6) Miscellaneous Taxes: Corn Assessment, Cotton Assessment, Egg Excise, Forest Products, Peanuts, Sheep Assessment, Small Grains Assessment, Soft Drinks Excise Tax, Soybean Assessment
- 7) Unemployment Taxes with the Virginia Employment Commission

Existing registered business can add a new tax account, modify existing tax accounts and more by logging into VATAX Online at www.tax.virginia.gov/business and selecting Business Profile Changes. You must be signed up for VATAX Online to be able to login.

QuickPay – Bill payments online for Businesses and Individuals

Quick Pay is the Department of Taxation's free online tax bill paying service that allows businesses and individuals to pay Department of Taxation bills electronically from their savings or checking account. QuickPay is available at www.tax.virginia.gov/QuickPay.

Nonprofit Online

Nonprofit Online is the Department of Taxation's free online registration service that allows nonprofit organizations to apply for a Virginia Sales and Use

Tax exemption. Nonprofit Online users can print out their exemption certificate and renew their exemption online. Users can also input, edit and deleted certain information pertaining to the organization.

For more information on online registration for nonprofit organizations, visit our website at www.tax.virginia.gov/NPO or contact Customer Services by phone at 804-367-8031 for Individuals, 804-367-8037 for Businesses, or write to the Virginia Department of Taxation, Customer Service Section, and P.O. Box 1115, Richmond, VA 23218-1115.

III. E-file for Individuals

Taxpayers can electronically file their return through a tax preparer providing this service, by using a TAX approved tax preparation software package on their personal computer, or by going to a tax software provider's website. Some, but not all, local tax authorities also offer e-file. Taxpayers should contact their local Commissioner of the Revenue, Director of Tax Administration, or Director of Finance for details.

IV. Electronic Funds Transfer (EFT)

Business taxpayers whose average monthly liability exceeds \$20,000 must pay their state taxes by EFT. The \$20,000 average monthly tax liability applies to business taxpayers paying corporate income tax, retail sales and use tax, and withholding tax. The \$20,000 average monthly tax liability applies separately to each tax. Withholding accounts are evaluated every November to identify taxpayers who must pay withholding tax by EFT.

Mandatory EFT filers are notified by TAX that they must begin making EFT payments. Taxpayers who are required to pay by EFT but continue to pay their tax by check are subject to penalties.

A return or EFT payment record must be submitted for each required period, even if there is no tax due. The penalty for failure to deduct and pay the proper amount of tax withheld to the Virginia Department of Taxation is 6 percent of the amount that should have been withheld for each month or fraction of a month the return or payment is delinquent. The minimum penalty is \$100 and the maximum penalty is 30 percent of the tax due. Interest at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent, will be added to the tax.

The Department of Taxation also encourages other businesses that do not have an average monthly liability of \$20,000 to voluntarily transmit their tax return payments by EFT. Payments are submitted directly to the Tax Department's bank from your business bank account. EFT not only saves check writing and mailing costs, but also ensures that your payment is made without the worry of a check being lost in the mail. EFT eliminates Form VA5 - VA15.

For more information on EFT, or an EFT Guide, visit our website at www.tax.virginia.gov or contact Customer Services by phone at 804-367-8037, or write to the Virginia Department of Taxation, Customer Service Section, and P.O. Box 1115, Richmond, VA 23218-1115.

V. Payroll Service Providers/Bulk Filers

For returns filed on or after July 1, 2004, all persons who act on behalf of 100 or more taxpayers to remit individual income tax withholding payments must remit all such withholding payments by ACH Credit transactions

VI. INCOME TAXES

Corporation Income Tax

General Liability

Every corporation organized under the laws of Virginia, and every foreign corporation registered with the State Corporation Commission for the privilege of doing business in Virginia or receiving income from Virginia sources, must file a corporation income tax return except: public service corporations (other than electric and gas suppliers, railroads and telecommunications companies); banks subject to the bank franchise tax; credit unions; insurance companies; and corporations not conducted for profit which are exempt from United States income tax, with the exception that these are taxable on their unrelated business taxable income. Subchapter S corporations and most pass-through entities are required to submit an annual informational return (see Pass-Through Entities).

Income of a multistate corporation is determined by a double-weighted sales factor in which the sales factor is weighted 50 percent and the payroll and property factors are 25 percent each. The double-weighted sales factor is effective for taxable years beginning on or after January 1, 2000. Special formulas are provided for motor carriers, financial corporations, railway companies, and construction corporations using the completed contract method of accounting.

Filing Procedure

Registration:

Every corporation that is required to file an income tax return must register by filing a Business Registration Application, Form R-1, or registration can be completed online for Businesses at www.tax.virginia.gov/iReg. The Form R-1 can also be downloaded and mailed to P.O. Box 1114, Richmond, VA 23218-1114. No application fee is required.

Filing of Returns

A corporation income tax return must be filed and the tax paid with the Virginia Department of Taxation on or before the 15th day of the fourth month following the close of the corporation's taxable year. Effective for taxable years beginning on and after January 1, 2003, the income tax return filing date for tax exempt organizations with unrelated business taxable income is the 15th day of the sixth month following the close of the taxable year. (The tax year is the same as that used for federal income tax purposes.)

Extensions:

An automatic six-month filing extension is allowed for corporate income tax filers, provided the return is filed within six months from the original due date of the return. At least 90 percent of the corporation's income tax must be paid by the original due date, or the corporation may be subject to an extension penalty of 2 percent per month on the balance of tax due with the return. Corporations are also subject to interest on any balance of tax due with a return filed on extension. Corporate extension payments can be paid online using VATAX Online for Businesses at www.tax.virginia.gov/iFile.

Estimated Tax:

A corporation subject to Virginia income tax is required by law to make a declaration of estimated income tax if its Virginia income tax for the taxable year can reasonably be expected to exceed \$1,000. A corporation whose accounting period is a calendar year is required to make a declaration of estimated tax and pay one-fourth of such estimated tax directly to the Virginia Department of Taxation by April 15 of the taxable year. Subsequent installments are due June 15, September 15 and December 15. Corporate estimated payments can be paid using VATAX Online for Businesses at www.tax.virginia.gov/iFile.

A corporation whose accounting period is a fiscal year is required to make a declaration of estimated income tax and pay one-fourth of the tax directly to the Virginia Department of Taxation by the 15th day of the fourth month following the beginning of its fiscal year. Subsequent installments are due the 15th day of the sixth month, the 15th day of the ninth month, and the 15th day of the 12th month following the beginning of the corporation's fiscal year.

Electronic Funds Transfer (EFT)

Electronic Funds Transfer (EFT) involves the transfer of funds from your bank account to the State's bank account. This program is currently available for the following taxes: Sales and Use Tax, Out-of-State Dealers, Employer Withholding Tax, and Corporation Income Tax.

If the monthly tax liability for any one of these taxes exceeds \$20,000, the company is required by law to pay by EFT for consolidated sale tax accounts. EFT is required when the total liability of all subsidiaries exceeds \$20,000 as reported by the parent company.

The \$20,000 average monthly tax liability applies to business taxpayers paying corporate income tax, Retail Sales and Use Tax, and Withholding Tax. The \$20,000 average monthly tax liability applies separately to each tax. Withholding accounts are evaluated every November to identify taxpayers who must pay using EFT. Mandatory EFT filers are notified by TAX that they must begin making EFT payments. Taxpayers who are required to pay by EFT but continue to pay their tax by check are subject to penalties.

The Department of Taxation also encourages other businesses that do not have an average monthly liability of \$20,000 to voluntarily transmit their tax return payments by EFT. Payments are submitted directly to the Tax Department's

bank from the business bank account. EFT not only saves check writing and mailing costs, but also ensures that the payment is made without the worry of a check being lost in the mail.

For more information on EFT or an EFT Guide, visit our website at www.tax.virginia.gov, contact Customer Services by phone at 804-367-8037, or write to the Virginia Department of Taxation, Customer Service Section, P.O. Box 1115, Richmond, VA 23218-1115.

Tax Rate

The tax rate is 6 percent of the corporation's Virginia taxable income.

Penalties and Interest

The civil penalty for failing to file a return by the extended due date described under Extensions, above is 6 percent of the tax due for each month or part of a month that the return is filed after the original due date. The minimum penalty for failure to file timely is \$100. In no case will the penalty for failure to file timely be less than \$100, and the minimum \$100 penalty applies whether or not tax is due for the period covered by the return. The civil penalty for late payment of the tax is also 6 percent of the tax due for each month or part of a month that the payment is late, up to a maximum of 30 percent. For any month the late filing penalty is imposed, the late payment penalty will not be applied. The total of both penalties cannot be more than 30 percent of the tax due. Civil and criminal penalties may be imposed for filing a fraudulent return. Interest on the unpaid balance of any tax and penalty is charged at the underpayment rate established by Sec. 6621 of the Internal Revenue Code, plus 2 percent, from the due date until paid.

Disposition

Revenue is deposited to the state's general fund.

Register Online - New businesses can register online using iReg at www.tax.virginia.gov/iReg. Existing registered business can add a new tax account, modify existing tax accounts and more by logging into VATAX Online at www.tax.virginia.gov/business and selecting Business Profile Changes. You must be signed up for VATAX Online to be able to login.

File Online - Businesses can file and pay taxes using VATAX Online for Businesses at www.tax.virginia.gov/business

Download Forms online at www.tax.virginia.gov:

- R-1 - Business Registration Application
- 500 - Virginia Corporation Income Tax Return
- Schedule 500A - Multistate Corporation Transacting or Conducting Part of Business Within and Part Without Virginia Allocation and Apportionment of Income
- Schedule 500AB - Add Back and Exceptions to Add Back of Interest and

	Intangible Expenses
500ES -	Declaration of Estimated Income Tax for Corporations
500CP -	Corporate Automatic Extension Payment Voucher
500EC -	Modified Net Income Tax Return for Electric Cooperatives
500EL -	Electric Suppliers Corporation Minimum Tax and Credit Schedule
500MT -	Electric Cooperatives Minimum Tax and Credit Schedule
500V -	Corporation Income Tax Payment Voucher (for use with form 500)
500C -	Underpayment of Virginia Estimated Tax by Corporations
500CR -	Credit Computation Schedule for Form 500
500-NOLD -	Corporation Application for Refund – Carryback of Net Operating Loss
500T -	Telecommunications Companies Minimum Tax and Credit Schedule
500X -	Amended Virginia Corporation Income Tax Return
301 -	Enterprise Zone Credit
304 -	Major Business Facility Job Tax Credit
305 -	Clean Fuel Vehicle Jobs Creation Tax Credit
306 -	Coalfield Employment Enhancement Tax Credit

For Assistance Contact:

Virginia Department of Taxation
P.O. Box 1115
Richmond, VA 23218-1115
804-367-8037

For Forms:

Download at: www.tax.virginia.gov
Fax: 804-236-2779
Telephone: 804-440-2541
Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317
Richmond, VA 23218-1317

For Information on Electronic Funds Transfer (EFT) Payments Contact:

www.tax.virginia.gov at Electronic Payment Options

Fax: 804-367-2603
Virginia Department of Taxation
EFT Registration
P.O. Box 1115
Richmond, VA 23218-1115

Employer Income Tax Withholding General Liability

An employer who pays wages to one or more employees for services performed in Virginia is required to deduct and withhold state income tax from those wages. Virginia law substantially conforms to the federal definition of “wages.” Therefore, Virginia withholding is generally required on any payment for which federal withholding is required, except amounts paid pursuant to individual retirement accounts and simplified employee pension plans as defined in Sections 7701(a) (37) and 408(c) of the Internal Revenue Code. For information on exemptions, refer to the Employer Income Tax Withholding Instructions, available at www.tax.virginia.gov.

Filing Procedure

Registration:

Any employer required by law to withhold Virginia income tax from wages paid to one or more employees must register by filing a Business Registration Application, Form R-1, with the Virginia Department of Taxation. Businesses can also register online at www.tax.virginia.gov/iReg, or download the form and mail it to the Virginia Department of Taxation, P.O. Box 1114, Richmond, VA 23218-1114. No application fee is required.

For more information on online registration and filing, visit our website at www.tax.virginia.gov, contact Customer Services by phone at 804-367-8037 or write to the Virginia Department of Taxation, Customer Service Section, P.O. Box 1115, Richmond, VA 23218-1115.

How Often To File:

An employer’s filing status is determined by the average amount of income tax withheld each month. When registering for an account number, employers are asked to estimate this figure so the Department can assign a filing status. Based on that information, we assign a quarterly, monthly, semi-weekly, or seasonal filing status. In addition, all employers must file an annual summary. Employers are not responsible for monitoring their monthly tax liabilities to see if a status change is needed. The Department reviews each account annually and makes any necessary changes.

Quarterly Filing:

If an employer’s average monthly withholding tax liability is less than \$100, the account will be assigned a quarterly filing status. Quarterly returns must be filed on Form VA-5 with full payment for the tax due, or EFT payments for the tax due must be made, by the last day of the month following the close of the quarter. A return must be filed for each quarter even if there is no tax due. EFT filers may submit a zero return if there is no tax due via EFT.

Monthly Filing:

If the average monthly withholding tax liability is at least \$100, but less than \$1,000, a monthly filing status will be assigned. For months that close a calendar quarter, file Form VA-5 with payment, or pay by EFT by the last day of the following month. For months that do not close a calendar quarter, file Form VA-5 or make an EFT payment by the 20th day of the following month. A return must be filed for each month, even if there is no tax due. EFT filers may submit a zero return if there is no tax due via EFT.

Effective January 1, 2008, monthly filers must file the Form VA-5 with payment or pay by EFT by the 25th day of the following month for every month.

Semi-Weekly Filing:

If the average monthly liability is \$1,000 or more, a semi-weekly filing status will be assigned. If the Virginia income tax withheld as of the close of any federal period is more than \$500, a payment must be made within three banking days. Federal cut-off days for withholding deposits are generally Tuesday and Friday of each week. Semi-weekly payments are usually made on Form VA-15, or by EFT. At the end of each calendar quarter, reconciliation must be filed on Form VA-16, along with payment of any remaining tax due for the quarter.

Seasonal Filing:

Seasonal filers, those employers who have employees only during certain months of the year, are required to file returns for the months designated at the time they register for an account, even if there is no tax due. Seasonal returns are filed on Form VA-5, and are due at the normal monthly filing dates.

All Filers - Form VA-6, Employer's Annual or Final Summary of Virginia Income Tax Withheld:

On or before February 28 each year, Form VA-6 must be filed with copies of each W-2, 1099-R, or other income statements reflecting Virginia income tax withheld. Beginning January 1, 2002, employers who furnish 250 or more written statements to employees are required to file these statements on diskette or magnetic tape. See 'magnetic media filing' at www.tax.virginia.gov for detailed information.

Electronic Funds Transfer (EFT)

Electronic Funds Transfer (EFT) involves the transfer of funds from your bank account to the State's bank account. Business taxpayers whose average monthly liability exceeds \$20,000 must pay their state taxes by EFT. The \$20,000 average monthly tax liability applies to business taxpayers paying corporate income tax, retail sales and use tax, and withholding tax if filing individual income withholding tax on behalf of 100 or more employees. The \$20,000 average monthly tax liability applies separately to each tax.

Withholding accounts are evaluated every November to identify taxpayers who must pay withholding tax by EFT. Mandatory EFT filers are notified by TAX that they must begin making EFT payments. Taxpayers who are required to pay by EFT but continue to pay their tax by check are subject to penalties.

For more information on EFT, or an EFT Guide, visit our website at www.tax.virginia.gov or contact Customer Services by phone at 804-367-8037, or write to the Virginia Department of Taxation, Customer Service Section, P.O. Box 1115, Richmond, VA 23218-1115

The Department of Taxation also encourages other businesses that do not have an average monthly liability of \$20,000 to voluntarily transmit their tax return payments by EFT. Payments are submitted directly to the Tax Department's bank from your business bank account. EFT not only saves check writing and mailing costs, but also ensures that your payment is made without the worry of a check being lost in the mail. EFT eliminates Form VA5 – VA15.

Payroll Service Providers/Bulk Filers

For returns filed on or after July 1, 2004, all persons who act on behalf of 100 or more taxpayers to remit individual income tax withholding payments must remit all such withholding payments by ACH Credit transactions.

Penalty and Interest

A return or EFT payment record must be submitted for each required period, even if there is no tax due. The penalty for failure to deduct and pay the proper amount of tax withheld to the Virginia Department of Taxation is 6 percent of the amount that should have been withheld and paid for each month or fraction of a month the return or payment is delinquent. The minimum penalty is \$10 and the maximum penalty is 30 percent of the tax due. Interest at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent, will be added to the tax.

Tax Rates

An employer receives withholding tax tables when registered or the tables can be downloaded at www.tax.virginia.gov.

Disposition

Revenue is deposited to the state's general fund.

Register Online - New businesses can register online using iReg at www.tax.virginia.gov/iReg. Existing registered businesses can add a new tax account, modify existing tax accounts and more by logging into VATAX Online at www.tax.virginia.gov/business and selecting Business Profile Changes. You must be signed up for VATAX Online to be able to login.

File Online - Businesses can file and pay taxes using VATAX Online for Businesses at www.tax.virginia.gov/business

Download Forms Online at www.tax.virginia.gov:

R-1 - Business Registration Application

VA-4 -	Employee's Withholding Exemption Certificate
VA-5 -	Employer's Return of Income Tax Withheld (Monthly or Quarterly, or Seasonal)
VA-6 -	Employer's Annual or Final Summary of Virginia Income Tax Withheld
VA-15 -	Employer's Voucher for Payment of Virginia Income Tax Withheld (Semi-Weekly)
VA-16 -	Employer's Quarterly Reconciliation and Return of Virginia Income Tax Withheld

For Assistance Contact:

www.tax.virginia.gov

VATAX Online for Businesses
Virginia Department of Taxation
P.O. Box 1115
Richmond, VA 23218-1115
804-367-8037

For Forms:

Download at: www.tax.virginia.gov

Fax: 804-236-2779

Telephone: 804-440-2541

Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317
Richmond, VA 23218-1317

For Information on Electronic Funds Transfer (EFT) Payments:

Online at: www.tax.virginia.gov

Fax: 804-367-2603

Virginia Department of Taxation
EFT Registration
P.O. Box 1115
Richmond, VA 23218-1115

Fiduciary Income Tax

General Liability

The fiduciary of a resident estate or trust must file a return: (1) if the estate or trust is required to file a federal fiduciary income tax return or (2) if it had any Virginia taxable income for the taxable year. "Resident estate or trust" means the estate of a Virginia resident decedent, a trust created under the will of a Virginia resident, or an estate or trust administered by a Virginia resident or under the supervision of a Virginia court. The fiduciary of a nonresident estate or trust receiving income from Virginia sources must also file a return.

Filing Procedure

A fiduciary return must be filed after the close of a calendar year, but not later than May 1, with the Commissioner of the Revenue, Director of Finance, or Director of Tax Administration for the Virginia city or county where the fiduciary qualified. If there has been no qualification in this state, the return should be filed with the official in the city or county where the fiduciary resides, does business or has an office, or where one or more of the beneficiaries reside.

Fiduciaries filing on a basis other than a calendar year must file their returns by the 15th day of the fourth month after the close of their taxable year. A copy of the federal fiduciary income tax return, as filed with the Internal Revenue Service, must be attached to the Virginia return.

Extensions:

An automatic six-month filing extension is allowed for fiduciary income tax filers, provided the return is filed within six months from the original due date of the return. At least 90 percent of the fiduciary’s income tax must be paid by the original due date, or the fiduciary may be subject to an extension penalty of 2 percent per month on the balance of tax due with the return. Fiduciary filers’ underpayments are also subject to interest on any balance of tax due with a return filed on extension.

Tax Rate Schedule

If your taxable income is:

Over	But not over	Your tax is	Of excess over
\$0	\$3,000	2%	
\$3,000	\$5,000	\$60+3%	\$3,000
\$5,000	\$17,000	\$120+5%	\$5,000
\$17,000		\$720+5.75%	\$17,000

Penalties and Interest

The civil penalty for failing to file a return by the extended due date described under Extensions, above, is 6 percent of the tax due for each month or part of a month that the return is filed after the original due date. The penalty cannot exceed 30 percent of the tax due. The civil penalty for failing to pay the tax due by the due date is also 6 percent of the tax due for each month or part of a month that the payment is late. For any month that the late filing penalty is imposed, the late payment penalty will not apply. The total of both civil penalties above, for failing to file a return and failing to pay by the due date, cannot be more than 30 percent of the tax due. Interest will accrue on the tax due at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent, from the due date through the date of payment.

Criminal Penalties

The criminal penalty for willfully failing or refusing to file a declaration as required by law, and for making any false statement in a declaration on an

individual, fiduciary, or corporate income tax return with the intent to defraud the Commonwealth or evade the payment of taxes is a Class 6 felony.

Estimated Income Tax

An estate or trust must make installment payments of estimated income tax if its Virginia income tax can reasonably be expected to be \$150 or more for the taxable year. In the case of an estate only, payment of estimated income tax is not required unless the last day of the taxable year is more than two years after the date of the decedent's death.

Addition to Tax

An additional charge at the prevailing underpayment interest rate is imposed by law for underpayment of estimated tax, except in certain situations. For additional information, see "Addition to Tax" in the Individual Estimated Income Tax Section VI.

Disposition

Revenue is deposited to the state's general fund.

Download Forms Online at www.tax.virginia.gov:

- 770 - Virginia Fiduciary Income Tax Return
- 770IP - Virginia Automatic Extension Payment Voucher
- 770ES - Estimated Income Tax Forms and Instructions for Estates and Trusts
- 760C - Underpayment of Estimated Tax for Individuals, Estates and Trusts

For Assistance Contact:

Your local Commissioner of the Revenue, Director of Finance, or Director of Tax Administration
Contacts at www.tax.virginia.gov
Virginia Department of Taxation
P.O. Box 1115
Richmond, VA 23218-1115
804-367-8031

For Forms:

Download at: www.tax.virginia.gov
Fax: 804-236-2779
Telephone: 804-440-2541
Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317
Richmond, VA 23218-1317

Individual and Fiduciary Estimated Income Tax

General Liability

Every resident and nonresident individual must pay estimated income tax if:

1. All of the income is from wages on which Virginia income tax is not withheld and estimated tax liability exceeds tax credits by \$150 or more; or
2. All of the income is from sources other than wages and estimated tax liability exceeds tax credits by \$150 or more; or
3. A part of the income is from wages on which Virginia income tax is not withheld and part from other sources and estimated tax liability exceeds tax credits by \$150 or more; or
4. A part of the income is from wages on which Virginia income tax is withheld and part from other sources (including wages on which Virginia income tax is not withheld) and estimated tax liability exceeds tax credits by \$150 or more.

When to File and Pay Estimated Tax

Generally, an individual must file the first voucher by May 1 of the taxable year with his/or her local Commissioner of the Revenue, Director of Finance, Director of Tax Administration or with the Virginia Department of Taxation. The taxpayer may pay all of the estimated tax with the first voucher or pay in four equal amounts on or before May 1, June 15, and September 15 of the taxable year, and January 15 of the next year. In some cases where an individual was not required to file a voucher on May 1, a change in income or exemptions may require that payments be made at a later date.

The filing dates are as follows:

- June 15 for changes between April 15 and June 2 (Estimated tax payments are due in three equal installments.)
- September 15 for changes between June 2 and September 2 (Estimated tax payments are due in two equal installments.)
- January 15 of the next year for changes between September 2 and December 31. (Estimated tax is due in full.)

If the voucher is filed after the time prescribed, all late installments of estimated tax must be paid with the voucher. The remaining installments must be paid at the times and in the amounts that would have been payable if the voucher had been filed when due.

Note: Farmers, Fisherman, and Merchant Seamen

Farmers, fishermen, and merchant seamen with two-thirds of their estimated Virginia gross income from self-employed farming, fishing, or working as a merchant seaman, have special requirements which allow them to file one payment voucher by January 15th of the next year.

Tax Rate Schedule

If your taxable income is:

Over	But not over	Your tax is	Of excess over
\$0	\$3,000	2%	
\$3,000	\$5,000	\$60+3%	\$3,000
\$5,000	\$17,000	\$120+5%	\$5,000
\$17,000		\$720+5.75%	\$17,000

Addition to Tax

An addition to the tax at the prevailing underpayment interest rate is imposed by law for underpayment of installments of estimated tax except in certain situations.

Alternative computations may be used for determining the amount of underpayment. The addition to tax does not apply if each required installment is paid on time and meets one of the following exceptions:

1. Is at least 90 percent of the amount due on the basis of annualized income (66.66 percent if you are a farmer, fisherman or merchant seaman effective for taxable years beginning on and after January 1, 2001); or
2. Is at least 90 percent of the amount due on the basis of the actual taxable income; or
3. Is based on a tax computed by using your income for the preceding taxable year and the current year's tax rates and exemptions; or is equal to or exceeds the tax liability shown on your prior year's return and that return was for a full year and reflected a tax liability; or
4. The total underpayment for all quarters is \$150 or less for the taxable year.

Criminal Penalties

The criminal penalty for willfully failing or refusing to file a declaration as required by law, and for making any false statement in a declaration on an individual, fiduciary, or corporate income tax return with the intent to defraud the Commonwealth or evade the payment of taxes is a Class 6 felony.

Disposition

Revenue is deposited to the state's general fund.

File Online - Individuals can file and pay quarterly estimated taxes online at www.tax.virginia.gov/ind using VATAX Online for Individuals.

Download Forms Online at www.tax.virginia.gov:

- 760ES - Estimated Income Tax Forms and Instructions for Individuals
- 770ES - Estimated Income Tax Forms and Instructions for Estates and Trust

- 760C - Underpayment of Estimated Tax by Individuals, Estates and Trust
760F - Underpayment of Virginia Estimated Tax by Farmers, Fisherman and Merchant Seaman

For Assistance Contact:

Your local Commissioner of the Revenue, Director of Finance, or Director of Tax Administration

Information is also available at www.tax.virginia.gov

Virginia Department of Taxation
P.O. Box 1115
Richmond, VA 23218-1115
804-367-8031

For Forms:

Download forms at: www.tax.virginia.gov

Fax: 804- 236-2779

Telephone: 804-440-2541

Virginia Department of Taxation

Forms Request Unit

P.O. Box 1317

Richmond, VA 23218-1317

Individual Income Tax

General Liability

The Virginia individual income tax applies to the entire income of Virginia residents and to income from Virginia sources received by nonresident individuals. Generally, all residents and nonresidents with Virginia taxable income are required to file a return (see section on "Filing Exception"). The computation of Virginia taxable income begins with federal adjusted gross income. Virginia offers electronic filing to its customers for refund returns, tax due returns, part-year returns and non-resident returns.

Nonresident:

Every nonresident who received taxable income from Virginia sources must file a Virginia Nonresident Income Tax return, Form 763.

Part-year Resident:

Any individual who moved into or out of Virginia during the taxable year and who received taxable income from Virginia sources must file a Virginia Part-Year Resident Individual Income Tax return, Form 760PY. If all of the individual's income is from Virginia sources, he or she may choose to file Form 760 as a full-year resident.

Filing Exception

If you do not have Virginia income tax withheld and you have not paid any estimated tax, then you are not required to file a Virginia income tax return if your Virginia Adjusted Gross Income was less than \$7,000 and you are single. This amount is \$14,000 for the combined Virginia Adjusted Gross Income of married couples, and \$7,000 if married filing separately.

Filing Procedure

If you are a calendar year filer, file by May 1, with the Commissioner of the Revenue, Director of Finance, or Director of Tax Administration for your city or county of residence, or directly with the Virginia Department of Taxation using online filing at www.tax.virginia.gov/lnd, or by downloading forms on the website at www.tax.virginia.gov. Individuals filing on a basis other than a calendar year must file their returns by the 15th day of the fourth month after the close of their taxable year. The full amount of income tax due on the return should be paid when the return is filed.

Extensions:

An automatic six-month filing extension is allowed for individual income tax filers, provided the return is filed within six months from the original due date of the return. At least 90 percent of the income tax must be paid by the original due date, or the individual may be subject to an extension penalty of 2 percent per month on the balance of tax due with the return. Filers' underpayments are also subject to interest on any balance of tax due with a return filed on extension.

VATAX Online for Individuals

VATAX Online for Individuals is available at www.tax.virginia.gov/Individuals and offers most Virginians the ability to perform various tax filing and payment functions directly with the Department of Taxation. There is no software to download or purchase and our online services are available seven days a week, twenty-four hours a day. Customers can save their work and complete it later. In addition, they are free, easy, fast, and convenient. VATAX Online is available to anyone who has filed Virginia income tax returns in the Commonwealth of Virginia for 1999 or later tax years.

At VATAX Online, taxpayers can:

- 1) File their Virginia Resident income tax returns at iFile
- 2) Direct deposit their refunds
- 3) Electronically transfer (withdraw) payment of tax due from their checking or savings account on a specified payment date
- 4) Make extension payments
- 5) File and pay quarterly estimated taxes
- 6) Check status of refunds
- 7) Pay bills online using Web Payments
- 8) Correspond securely and confidentially with the Tax Department through our secure messaging system

E-file for Individuals - Electronic Filing

Taxpayers can electronically file their return through a tax preparer providing this service, by using a TAX approved tax preparation software package on their personal computer, or by going to a tax software provider's website. Some, but not all, local tax authorities also offer e-file. Taxpayers should contact their local Commissioner of the Revenue, Director of Tax Administration, or Director of Finance for details.

Penalties and Interest

The civil penalty for failing to file a return by the extended due date described under Extensions, above, is 6 percent of the tax due for each month or part of a month that the return is filed after the original due date. The penalty cannot be more than 30 percent of the tax due. The civil penalty for failing to pay the tax due by the due date is also 6 percent of the tax due for each month or part of a month that the payment is late. For any month that the late filing penalty is imposed, the late payment penalty will not apply. The total of both civil penalties above, for failing to file a return and failing to pay by the due date, cannot be more than 30 percent of the tax due. The civil penalty for filing an evasive or fraudulent return, or for failing or refusing to file any return with intent to evade the tax, is an additional penalty of 100 percent of the proper amount of the tax.

The criminal penalty for willfully failing or refusing to file a return is a Class 1 misdemeanor punishable by confinement in jail for not more than 12 months and a fine of not more than \$2,500, either or both. Effective July 1, 2003, the criminal penalty for making a fraudulent return, or for making a false statement with the intent to defraud the Commonwealth, is a Class 6 felony punishable by imprisonment for not less than one year and not more than five years, or in the discretion of the jury or the court trying the case without jury, confinement in jail for not more than 12 months and a fine of not more than \$2,500, either or both. Interest on the tax due will be added at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent, from the original due date of the tax until the date of payment.

Disposition

Revenue is deposited to the state's general fund.

File Online - Individuals can file tax returns, file extensions, pay estimated payments, pay bills, check refund status and send secure messages using VATAX Online for Individuals at www.tax.virginia.gov/ind

Download Forms Online from www.tax.virginia.gov:

- 760 - Virginia Individual Resident Income Tax Return
- 760PY - Virginia Part-Year Resident Individual Income Tax Return
- 763 - Virginia Nonresident Income Tax Return
- 763-S - Virginia Special Nonresident Claim for Individual Income

	Tax Withheld
CU-7 -	Virginia Consumer's Use Tax Return for Individuals
Schedule ADJ -	Virginia Schedule ADJ
Schedule CR -	Credit Computation Schedule
Schedule NPY -	Schedule of Adjustments for Part-Year-Residents and Nonresidents
Schedule OSC -	Credit for Tax Paid to Another State
760IP -	Virginia Automatic Extension Payment Voucher
760ES -	Virginia Estimated Income Payment Vouchers for Individuals
760C -	Underpayment of Virginia Estimated Tax by Individuals, Estates, and Trusts
760F -	Underpayment of Virginia Estimated Tax by Farmers, Fishermen and Merchant Seaman

For Assistance Contact:

Your local Commissioner of the Revenue, Director of Finance, or Director of Tax Administration

Information is also available at www.tax.virginia.gov

Virginia Department of Taxation
P.O. Box 1115
Richmond, VA 23218-1115
804-367-8031

For Status of Current Year Refunds:

Online at: www.tax.virginia.gov/ind
Telephone: 804-367-2486

For Forms:

Download at: www.tax.virginia.gov
Fax: 804-236-2779
Telephone: 804-440-2541
Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317
Richmond, VA 23218-1317

Pass-Through Entities

Pass-Through Entities Required to File

Effective for taxable years beginning on or after January 1, 2004, every pass-through entity doing business in Virginia or having income from Virginia sources is required to file an income tax return with the Virginia Department of Taxation for each taxable year.

Pass-through entities include Subchapter S corporations, general partnerships (LLPs), limited liability companies (LLCs), electing large

partnerships and business trusts. For purposes of this requirement, a pass-through-entity is a business entity recognized as a separate entity for federal income tax purposes, but the owners of which report their distributive or pro rata shares of the entity's income, gains, losses, deductions and credits on their own income tax returns. Unlike ordinary corporations ("C" corporations), a pass-through-entity typically does not pay income tax itself; rather the entity's income and related items are reported by the owners on their individual returns, and the tax is computed and paid at the owner level. Fiduciary income tax filers are not subject to this filing requirement. In addition, single-member LLCs and investment pass-through entities are excluded from the requirement.

The Virginia pass-through entity income tax return is Form 502. Previously, S corporations were required to file on Form 500S. Beginning with taxable year 2004, S corporations are required to file Form 502 instead of 500S. Partnerships (including LLCs and other entities treated as partnerships for federal income tax purposes) are also required to file Form 502.

Period Covered by Return

A pass-through entity's taxable year for Virginia income tax purposes is the same as its taxable year for federal income tax purposes.

When and Where to File

Form 502 must be filed with the Department of Taxation no later than the 15th day of the fourth month after the close of the entity's taxable year. Original and amended returns should be mailed to Virginia Department of Taxation, P.O. Box 1500, Richmond, VA 23218-1500.

Extension of Time to File

An automatic six-month filing extension is allowed for pass-through entity filers, provided the return is filed within six months from the original due date of the return, or within thirty (30) days of a valid federal extension, whichever is later. A return filed after the applicable extended due date is subject to the late filing penalties described below.

Penalties

A pass-through entity that is required to file a return but fails to do so by the specified due date is liable for a penalty of \$200 for each month or part of a month from the original due date through the date of filing, for up to six months. If the failure to file continues for more than six months, the Department of Taxation may assess the pass-through entity a penalty equal to six percent of the Virginia taxable income the owners derive from the entity. The Department may estimate this taxable income using any method it deems reasonable and with any information in its possession. The six percent penalty will be reduced by the amount of any monthly penalty already assessed, or the six percent penalty may be assessed instead of the monthly penalty. The six percent penalty will also be reduced to the extent any owner has paid Virginia tax on his or her share of the entity's income for the same tax year. The minimum penalty for failure to file on time is \$200.

Virginia Schedules and Attachments

In addition to the Form 502, the return must include a VA Schedule VK-1 - Owner's Share of Income and Virginia Modifications and Credits, for each owner.

Order of Attachments

- Form 502 – Pass - Through Entity Return
- Schedule 502A - Allocation and Apportionment
- Schedule VK-1 - Owner's Share of Income and Virginia Modifications and Credits
- A Copy of the Federal Return

Register Online - New businesses can register online using iReg at www.tax.virginia.gov/iReg. Existing registered business can add a new tax account, modify existing tax accounts and more by logging into VATAX Online at www.tax.virginia.gov/business and selecting Business Profile Changes. You must be signed up for VATAX Online to be able to login.

File Online - Businesses can file and pay taxes using VATAX Online for Businesses at www.tax.virginia.gov/business

Download Forms Online at www.tax.virginia.gov:

- | | |
|------------------|--|
| 502 - | Pass-Through Entity Return of Income |
| 502 Schedule A - | Multistage Pass-Through Entity |
| 502 VK-1 - | Owner's Share of Income and Virginia Modifications and Credits |

For Assistance Contact:

Virginia Department of Taxation
P.O. Box 1115
Richmond, VA 23218-1115
804-367-8037

For Forms:

Download at: www.tax.virginia.gov
Fax: 804-236-2779
Telephone: 804-440-2541
Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317
Richmond, VA 23218-1317

Registration of Nonresident Property Owners General Liability

Nonresident individuals, nonresident estates and trusts, partnerships and S corporations which have any nonresident partners or shareholders, and corporations which are not formed or organized under Virginia law that rent or sell real property in Virginia are required to register with the Virginia Department of Taxation.

“Brokers”, as defined in the Internal Revenue Code Section 6045(c), including realtors and property management firms, are required to obtain a registration form from each nonresident of Virginia who receives \$600 or more annually from the real property. “Real estate reporting persons” as defined in the Internal Revenue Code Section 6045(e) are required to obtain a registration form from each nonresident seller of real estate. Sales of real estate not subject to the Virginia income tax are exempt from registration.

Filing Procedure

Brokers and real estate reporting persons must submit completed registration forms to the Department by the 15th day of the month following the month in which the forms were received from the owner (in the case of rental property) or the date of closing (in the case of property sales). If a nonresident property owner fails to complete a registration form within 60 days after being requested to do so by the broker or at the time of closing, the broker or real estate reporting person must complete a registration on behalf of the property owner.

Penalties

A penalty of \$50 per month (up to six months) per form will be assessed for failure to comply with these requirements.

Download Forms Online at www.tax.virginia.gov:

- R-5 - Nonresident Real Property Owner Registration
- R-5E - Nonresident Real Property Owner Exemption Certificate
- R-5P - Nonresident Real Property Shareholder/Partner Schedule

For Assistance Contact:

Virginia Department of Taxation
P.O. Box 1115
Richmond, VA 23218-1115
Individual Income Tax Inquiries: 804-367-8031
Corporation Income Tax Inquiries: 804-367-8037

For Forms:

Download at: www.tax.virginia.gov
Fax: 804-236-2779
Telephone: 804-440-2541
Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317

VII. TRANSFER TAXES

Estate Tax

General Liability

The Virginia estate tax, a transfer tax on the estates of resident decedents and the estates of nonresidents decedents having real estate or tangible personal property in Virginia, has been repealed for the estates of decedents whose date of death is on or after July 1, 2007.

Prior to July 1, 2007, the tax also applied to estates of alien decedents having real estate or tangible personal property located in Virginia, as well as intangible personal property attributable to Virginia. The tax was a “pick up” tax, based on the federal credit for state death taxes as it existed on January 1, 1978 reported on the federal estate tax return (Form 706). Accordingly, only those estates that were required to file a federal estate tax return were subject to the Virginia estate tax requirements. The federal filing requirements based on the gross value of the estate, are shown below:

Date of Death	Gross Value Subject to Estate Tax Filing Requirements Exceeding
Through December 31, 1997	\$600,000
January 1, 2000 – December 31, 2001	\$675,000
January 1, 2002 – December 31, 2003	\$1,000,000
January 1, 2004 – December 31, 2005	\$1,500,000
January 1, 2006 – December 31, 2008	\$2,000,000

Filing Procedure for Dates of Death Prior to July 1, 2007

The personal representative of the estate is required to file the return and pay any tax due within nine months after the date of death. When a federal extension of time to file or to pay the tax is granted, the Virginia return and/or payment is extended to the same date and for the same portion of the tax as for federal purposes.

An approved copy of the federal extension form must be attached to the Virginia return when it is filed. A copy of the federal return and all attachments and schedules must accompany the Virginia return. The “Personal Representative” means the executor, administrator, beneficiary, or any person in actual or constructive possession of any property of the decedent. Please refer to the instructions for Form EST-80 for details on filing and payment requirements for extension requests.

Tax Computation

Virginia law does not provide for a specific tax rate. The tax is based on the federal credit for state death taxes allowable under Section 2011 of the Internal Revenue Code as it existed on January 11, 1978 (refer to the table below).

Rules for 2002 through 2004: Under the Economic Growth and Tax Relief Act of 2001, the federal credit for state death taxes is reduced incrementally beginning in 2002, and fully repealed in 2005. Virginia law, however, does not allow for a credit reduction. Accordingly, the Virginia tax is the credit for state death tax before the federal reduction for a date of death prior to January 1, 2005.

Rules beginning January 1, 2005: For returns for decedents whose date of death is on or after January 1, 2005, federal law no longer provides a credit for state death taxes. Instead, the payment of state death tax is claimed as a deduction on the federal return. To accommodate this change, the Virginia return now provides for a special tax computation based on the federal credits allowable as of January 11, 1978. Please refer to the Form EST-80 and instructions for details.

Penalties and Interest

The penalty for late filing or late payment is 5 percent of the tax due. If the failure to pay is fraudulent, a penalty of 100 percent of the tax due will be added. Interest at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent, also is added to the tax and penalty.

Disposition

Revenue is deposited to the state's general fund.

Download Forms Online at www.tax.virginia.gov:

EST-80 - Virginia Estate Tax Return

For Assistance Contact:

Contacts at www.tax.virginia.gov

Virginia Department of Taxation

P.O. Box 1115

Richmond, VA 23218-1115

804-367-8031

For Forms:

Download at: www.tax.virginia.gov

Fax: 804-236-2779

Telephone: 804-440-2541

Virginia Department of Taxation

Forms Request Unit

P.O. Box 1317

Richmond, VA 23218-1317

Probate Tax

(Tax on Wills and Administrations)

General Liability

A state tax is imposed on the probate of wills and grants of administration not exempt by law.

Filing Procedure

A probate tax return must be filed with the circuit clerk of the court at the time the will is offered for probate, or grant of administration is sought, if the estate exceeds \$15,000 in value at the time of death.

Tax Rates

There is no tax on estates valued at \$15,000 or less. For estates exceeding \$15,000, the tax is 10 cents per \$100, or fraction of \$100, including the first \$15,000.

Disposition

Revenue is deposited to the state's general fund.

Download Form Online at www.tax.virginia.gov

PT-1 - Probate Tax Return

For Assistance Contact:

The clerk of the circuit court in the appropriate jurisdiction. Information is also available from:

Virginia Department of Taxation
P.O. Box 1115
Richmond, VA 23218-1115
804-367-8031

For Forms:

Download at: www.tax.virginia.gov

Fax: 804-236-2779

Telephone: 804-440-2541

Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317
Richmond, VA 23218-1317

Recordation Tax

General Liability

Virginia imposes a state tax on the admission to record of deeds, deeds of trusts, mortgages, leases, and contracts.

Collection of Tax

The tax on every deed, contract or other legal instrument will be determined and collected by the clerk of the court in whose office it is first offered for

recordation. After that, such instrument may be recorded in the office of any other clerk without payment of the state tax (local taxes may be due).

Tax Rates

Deeds generally:

The tax rate is 25 cents on every \$100 (or fraction of \$100) of the consideration or the actual value of the property conveyed, whichever is greater. An additional tax may be imposed by the localities equal to one-third of the state tax. In addition to the tax on deeds, a grantor tax is imposed at the rate of 50 cents on every \$500 (or fraction of \$500) of the consideration or value of the interest exclusive of the value of any lien or encumbrance.

Deeds of trust or mortgages:

The tax rates on the bonds or other obligations secured by the deed of trust or mortgage are as follows:

- on the first \$10 million, 25 cents on every \$100 or portion thereof;
- on the next \$10 million, 22 cents on every \$100 or portion thereof;
- on the next \$10 million, 19 cents on every \$100 or portion thereof;
- on the next \$10 million, 16 cents on every \$100 or portion thereof;
- and on all over \$40 million, 13 cents on every \$100 or portion thereof.

An additional tax may be imposed by the localities equal to one-third of the state tax.

Disposition

Revenue from the state taxes is deposited to the state's general fund except for the tax on grantors, which is split one-half with the locality.

For Assistance Contact:

The clerk of the court in the appropriate jurisdiction

Information is also available from:

Virginia Department of Taxation

P.O. Box 1115

Richmond, VA 23218-1115

804-367-8020

V. SALES AND USE TAXES

Aircraft Sales and Use Tax

General Liability

A tax is imposed on the retail sale of every aircraft sold in Virginia or upon the use in Virginia of any aircraft.

Exemptions

The Virginia Aircraft Sales and Use Tax Act does not apply to any aircraft sold or used by:

1. The United States or any of its governmental agencies;
2. The state of Virginia or any of its political subdivisions;
3. Any airline operating in intrastate, interstate or foreign commerce as a common carrier, providing scheduled air service pursuant to published flight schedules or mail contracts with the U.S. Postal Service
4. Any nonprofit charitable organization - exempt from taxation under §501(c)(3) of the Internal Revenue Code organized exclusively to provide long distance, advanced life support, air ambulance services for indigent medical patients; or
5. Any nonprofit organization - organized primarily for distributing food, clothing, medicines, and other necessities of life to, and providing shelter for, needy persons in the United States and throughout the world; or
6. Effective July 1, 2007 any aircraft that is considered Warbirds, manufactured and intended for military use, excluding those manufactured after 1954, and (ii) used only for (a) exhibit or display to the general public and otherwise used for educational purposes (including such flights as are necessary for testing, maintaining, or preparing such aircraft for safe operation), or (b) air show and flight demonstrations (including such flights necessary for testing, maintaining, or preparing such aircraft for safe operation), but not including any aircraft used for commercial purposes, including transportation and other services for a fee.

Filing Procedure

Filing Return and Licensing:

The purchaser of the aircraft must file a return with the Virginia Department of Taxation and pay the tax prior to filing for a license with the Department of Aviation. Upon receipt of payment, the Virginia Department of Taxation will certify payment to the Department of Aviation. Checks should be made payable to the Virginia Department of Taxation. The purchaser of the aircraft must file for a license with the Department of Aviation.

Dealer Exclusion and Monthly Returns:

Dealers may choose to exclude purchases of one or more aircraft from the sales tax, provided they file a Business Registration Application, Form R-1, with the Virginia Department of Taxation. P.O. Box 1114, Richmond, VA 23218-1114 or register online at www.tax.virginia.gov/iReg No application fee is required.

Dealers whose applications are approved will be required to pay the tax rate of 2 percent on gross receipts from the lease, charter, or other use of aircraft. Once a dealer makes the election, he or she must file a return and pay the tax monthly based on the gross receipts arising from all taxable transactions during the preceding month. Monthly returns are due and the tax payable to the Virginia Department of Taxation on or before the 20th of each month for the preceding month.

Tax Rate

The tax rate is 2 percent of the sales price. If the aircraft is licensed in this state six months or more after its acquisition from outside this state, the tax is 2 percent of the aircraft's current market value or purchase price, whichever is lower.

Penalty and Interest

The penalty for failure to file and pay on time is 6 percent of the tax due for each month (or portion of a month), not to exceed 30 percent. Interest will be added at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent, from the date that the tax was due until paid.

Disposition

All revenue is credited to a special fund to be used for the administration of the aviation laws and for the construction, maintenance and improvement of aviation in the interest of operators and the public.

Register Online - New businesses can register online using iReg at www.tax.virginia.gov/iReg. Existing registered business can add a new tax account, modify existing tax accounts and more by logging into VATAX Online at www.tax.virginia.gov/business and selecting Business Profile Changes. You must be signed up for VATAX Online to be able to login.

File Online - Businesses can file and pay taxes using VATAX Online for Businesses at www.tax.virginia.gov/business

Download Forms Online at www.tax.virginia.gov

AST-2 - Dealer's Aircraft Sales and Use Tax Return (a return should be filed even if no tax is due)

AST-3 - Virginia Aircraft Sales and Use Tax Return

R-1 - Business Registration Application

For Assistance Contact:

Contacts at www.tax.virginia.gov

Virginia Department of Taxation
P.O. Box 715
Richmond, VA 23218-0715
804-786-2450

For Forms Contact:

Download at: www.tax.virginia.gov
Fax: 804- 236-2779
Telephone: 804-440-2541
Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317
Richmond, VA 23218-1317

Communications Sales and Use Taxes

General Liability

The communications sales and use tax is imposed on the charge for or sale of communications services at the rate of 5%, and is collected from consumers by their service providers. In cases where a consumer purchases taxable communications services, and no tax is collected from the consumer on the purchase by the service provider, the consumer is responsible for paying a communications use tax.

Under the communications taxes provisions, TAX also administers a uniform statewide E-911 tax of \$0.75 per line on landline telephone services, and a public rights-of-way use fee on cable television service.

For a complete listing of taxable and nontaxable services visit our website at www.tax.virginia.gov.

Filing Procedure

Registration:

Providers must file a Business Registration Application, Form R-1, with the Virginia Department of Taxation, P.O. Box 1114, Richmond, VA 23218-1114.

Monthly Returns: On or before the 20th of each month, providers are required to file a return showing the gross sales, gross proceeds, or cost price from all taxable sales of communications services made during the preceding calendar month and all cable television public rights-of-way use fees and landline telephone E-911 fees incurred during the proceeding calendar month. The provider must pay the amount of tax due at the time the return is filed. The Virginia Department of Taxation furnishes the return that the provider files.

Where to File:

Returns are filed with the Virginia Department of Taxation, P.O. Box 26544, Richmond, VA 23261-6544. Checks are made payable to the Virginia Department of Taxation.

Tax Rates

The communications sales and use tax rate is 5 percent of taxable services. The E-911 fee is \$0.75 per line. The public rights-of-way use fee is set by the Virginia Department of Transportation each year. The rate through June 30, 2007 is \$0.64 per subscriber per month, it will increase to \$0.67 on July 1, 2007.

Penalties and Interest

The penalty for failure to file a return or pay the communications sales and use tax is 6 percent of the tax due for each month or part of a month that the return or payment is late, to a maximum of 30 percent of the tax due. The minimum penalty is \$10. Interest is assessed on the tax at the rate established in Internal Revenue Code § 6621, plus 2%. In addition, late payment penalties

are imposed separately for the E-911 tax and the cable television public rights-of-way use fee at the rate of 5 percent of the tax due.

Disposition

Revenue is deposited to a special fund for distribution to Virginia localities. For complete information on allocation of the funds, visit our website at www.tax.virginia.gov.

Download the forms at www.tax.virginia.gov:

- CT-75 - Virginia Communications Taxes Return
- CT-1 - Report of Termination, Renewal, Acquisition or Sale of Cable Franchise Agreements in Effect on January 1, 2007
- CT-7 - Virginia Communications Taxes Use Tax Return
- CT-10 - Communications Sales and Use Tax Certificate of Exemption

For Assistance Contact:

Virginia Department of Taxation
P.O. Box 1115
Richmond, VA 23218-1115
804-367-8037

For Forms:

Download at: www.tax.virginia.gov
Fax: 804-236-2779
Telephone: 804-440-2541
Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317
Richmond, VA 23218-1317

Consumer's Use Tax

Both individuals and businesses are required to pay consumer use tax if their total purchases were more than \$100 in merchandise during the taxable year from out-of-state mail order companies, telephone or television shopping services, etc., and the business did not add the Virginia sales and use tax to the bill. Consumer's use tax may also be owed if an item was purchased tax-free outside Virginia and used in Virginia. Sales or use tax does not apply to magazine or newspaper subscriptions.

Individuals

Individuals who owe the consumer's use tax because they were not charged the sales tax on a purchase of tangible personal property must file and pay the consumer's use tax.

Filing of Returns:

Individuals may elect to have the consumer's use tax deducted from their overpayment on their Individual Income Tax return or they can pay the tax on

their resident (Form 760) or part-year resident (Form 760PY) income tax return. Individuals who elect to file a separate form, must file Form CU-7, Virginia Consumer's Use Tax Return for Individuals, no later than May 1.

The tax must be paid when the return is filed.

Businesses

Businesses are required to file a consumer's use tax return to report the cost price of tangible personal property arising from all taxable transactions on which the Virginia sales or use tax was not collected by the seller.

Filing of Returns:

Businesses are required to file Form ST-7 or Form ST-9 showing the cost price arising from all taxable transactions during the preceding month on or before the 20th of the month. The tax must be paid when the return is filed. File the returns with the Virginia Department of Taxation, P.O. Box 26626, Richmond, VA 23261-6626. Checks should be made payable to Virginia Department of Taxation.

Tax Rate

The tax rate is 5 percent (4 percent state tax and 1 percent local tax). Beginning July 1, 1998, nonprescription drugs and proprietary medicines were exempted from state sales and use tax. Nonprescription drugs and proprietary medicines are exempted from state sales and use tax. Effective July 1, 2005, the state sales and use tax rate on food purchased for human consumption was reduced from 3 percent to 1.5 percent. This rate reduction, however, does not affect the local tax rate on such food products.

Penalties and Interest

Out-of-state and Direct Payment Permit holders are required to file returns whether tax is due or not for the particular time period. Consumers are required to file a return and report the tax only at the time a use tax liability accrues on a taxable transaction. When any dealer fails to file or pay the full amount of tax when due, a penalty of 6 percent is added to the tax for each month or any part of a month that the return is not filed or the tax is not paid. The maximum penalty is 30 percent; the minimum penalty is \$10. Interest at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent, will be added to the tax on late returns. Out-of-state dealers will not be allowed the variable dealer's discount on any returns filed or paid after the due date. The U.S. postmark date on the envelope is used as the basis for imposing penalty and interest.

Disposition

Revenue is deposited to the state's general fund. One percentage point of the state tax is allocated to the localities of Virginia for education. The amount of state tax each locality receives is based upon the locality's school-age population. One-half of one percentage point of the state tax is allocated to the

Transportation Trust Fund. The balance of the state tax remains in the general fund. The 1 percent local tax is distributed to the localities for general operating purposes.

Download Forms Online at www.tax.virginia.gov:

- CU-7 - Virginia Consumer's Use Tax Return for Individuals
- ST-7 - Virginia Consumer's Use Tax Return for Businesses
- ST-9 - Retail Sales and Use Tax Return
- ST-10 - Exemption Certificates (see forms used for Retail Sales Tax in Section VIII.)

For Assistance Contact:

Virginia Department of Taxation
P.O. Box 1115
Richmond, VA 23218-1115
804-367-8037 .

For Forms:

Download at: www.tax.virginia.gov
Fax: 804-236-2779
Telephone: 804-440-2541
Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317
Richmond, VA 23218-1317 .

**Motor Vehicle Fuel Sales Tax
General Liability**

The motor vehicle fuel sales tax is imposed on the retail sale of fuels sold within every county or city that is a member of the Northern Virginia Transportation District or the Potomac and Rappahannock Transportation District.

Fuels subject to the motor vehicle fuel sales tax are those fuels, except fuel for aircraft, subject to tax under Chapter 21 of Title 58.1 of the Code of Virginia (the Motor Fuel and Special Fuel taxes). Every person, whether located inside or outside the transportation district, who sells motor vehicle fuel at retail where the fuel is delivered into or within the transportation district, or who purchases motor vehicle fuel under a certificate of exemption and later makes a taxable use of any portion of the fuel taken from a storage facility located within the transportation district, is a dealer liable for collecting and remitting the tax. The tax is included in the unit measure of fuel when retail sales are made through a pump, determined from a special bracket system set up for the motor vehicle fuel sales tax. The tax on retail sales of fuels that are not made through a pump is computed on the sales or cost price of the fuel.

Filing Procedure

Registration:

Dealers must file a Business Registration Application, Form R-1, with the Virginia Department of Taxation, P.O. Box 1114, Richmond, VA 23218-1114 or register online at www.tax.virginia.gov/iReg. No application fee is required.

Monthly Returns:

On or before the 20th of each month, dealers are required to file a return showing the gross sales, gross proceeds, or cost price from all taxable sales of fuels made during the preceding calendar month. The dealer must pay the amount of tax due at the time the return is filed.

The Virginia Department of Taxation furnishes the return that the dealer files. *Where to File:* Returns are filed with the Virginia Department of Taxation, P.O. Box 26626, Richmond, VA 23261-6626. Checks are made payable to the Virginia Department of Taxation.

Tax Rate

The tax rate is 2 percent.

Penalties and Interest

A return must be filed for each required period even if there is no tax due. If a dealer fails to file or pay the full amount of the tax when due, a penalty of 6 percent of the tax due will be added to the tax due for each month or any part of a month that the return is not filed or the tax due is not paid. The maximum penalty is 30 percent; the minimum penalty is \$10.

Interest at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent, is added to the tax on late returns. The variable dealer's discount allowed on timely filed returns is disallowed when a return is filed or the tax is paid after the due date. The date postmarked on the envelope is used as the basis for imposing penalty and interest.

Disposition

Revenue is deposited in a special fund account for monthly distribution to the applicable transportation district commission.

Register Online - New businesses can register online using iReg at www.tax.virginia.gov/iReg. Existing registered business can add a new tax account, modify existing tax accounts and more by logging into VATAX Online at www.tax.virginia.gov/business and selecting Business Profile Changes. You must be signed up for VATAX Online to be able to login.

Download Forms Online at www.tax.virginia.gov

FT-102 - Motor Vehicle Fuel Sales Tax Return

FT-106 - Virginia Motor Vehicle Fuel Sales Tax Bracket System

FT-200 - Certificate of Exemption

R-1 - Business Registration Application

ST-4 - Certificate of Registration

ST-10 though - Exemption Certificates (see forms used for Retail Sales Tax on in Section VIII.)
ST20A

For Assistance Contact:

Virginia Department of Taxation
P.O. Box 1115
Richmond, VA 23218-1115
804-367-8037

For Forms:

Download at: www.tax.virginia.gov
Fax: 804-236-2779
Telephone: 804-440-2541
Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317
Richmond, VA 23218-1317

Use Tax

General Liability

The use tax applies to tangible personal property used, consumed or stored in Virginia, but purchased outside the state that would have been subject to sales tax if purchased in this state. The use tax also applies to purchases, leases or rentals made in Virginia if the sales tax was not paid at the time of purchase, lease, or rental.

Filing Procedure

Out-of-State Dealers:

Registration

Every individual partnership, corporation, etc., outside Virginia who engages in business in this state as a dealer is required to register, collect and pay the tax on all taxable tangible personal property sold or delivered for storage, use or consumption in this state. Those vendors who are not required to register are encouraged to do so as a service to their Virginia customers.

A new business can register online at www.tax.virginia.gov/iReg or download a Registration Application, Form R-1, and file it with the Virginia Department of Taxation, P.O. Box 1114, Richmond, VA 23218-1114. No application fee is required.

Filing of Returns:

On or before the 20th of the month, out-of-state dealers are required to file a return online at www.tax.virginia.gov/Business using VATAX Online for Businesses, or complete and mail Form ST-8, furnished by the Virginia Department of Taxation showing gross sales or gross proceeds arising from all

taxable transactions during the preceding month. At the time of filing the return, the dealer must pay the amount of tax due, either with the return or by EFT.

The Department determines annually those dealers who should file on a quarterly basis. Quarterly returns must be filed on or before the 20th of the month following the close of each quarterly period. Quarterly periods end March 31, June 30, September 30 and December 31. At the time of filing the return, the dealer must pay the amount of tax due, either with the return or by EFT.

Electronic Funds Transfer (EFT)

Electronic Funds Transfer (EFT) involves the transfer of funds from your bank account to the State's bank account. You are required by law to make payments by EFT if your monthly tax liability for this tax exceeds \$20,000

The Department of Taxation also encourages other businesses that do not have an average monthly liability of \$20,000 to voluntarily transmit their tax return payments by EFT. Payments are submitted directly to the Tax Department's bank from your business bank account. EFT not only saves check writing and mailing costs, but also ensures that your payment is made without the worry of a check being lost in the mail.

For more information on EFT or for a copy of our EFT Guide, visit our website at www.tax.virginia.gov or contact Customer Services by phone at 804-367-8037, or write to the Virginia Department of Taxation, Customer Service Section, P.O. Box 1115, Richmond, VA 23218-1115.

Direct Payment Permit Holder

Registration:

Upon written application to the Virginia Department of Taxation, a Direct Payment Permit may be issued to a manufacturer or mine operator when it is impossible to determine at the time of purchase the manner in which the tangible personal property will be used by such manufacturer or mine operator or Public Service Corporation.

Filing of Return:

On or before the 20th day of each month, Direct Payment Permit holders are required to file a return, Form ST-6, furnished by the Virginia Department of Taxation showing the cost price of tangible personal property arising from all taxable transactions during the preceding month. The tax must be paid when the return is filed.

The Department determines annually those Direct Payment Permit holders who should file on a quarterly basis. Quarterly returns must be filed on or before the 20th day of the month following the close of each quarterly period. Quarterly periods end March 31, June 30, September 30 and December 31.

Tax Rate

The tax rate is 5 percent (4 percent state tax and 1 percent local tax). Nonprescription drugs and proprietary medicines are exempted from state sales and use tax. Effective July 1, 2005, the state sales and use tax rate on food

purchased for human consumption was reduced from 3 percent to 1.5 percent. This rate reduction, however, does not affect the local tax rate on such food products.

Penalties and Interest

Out-of-state and Direct Payment Permit holders are required to file returns whether tax is due or not for the particular time period. Consumers are required to file a return and report the tax only at the time a use tax liability accrues on a taxable transaction. When any dealer fails to file or pay the full amount of tax when due, a penalty of 6 percent is added to the tax for each month or any part of a month that the return is not filed or the tax is not paid. The maximum penalty is 30 percent; the minimum penalty is \$10. Interest at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent, will be added to the tax on late returns. Out-of-state dealers will not be allowed the variable dealer's discount on any returns filed or paid after the due date. The U.S. postmark date on the envelope is used as the basis for imposing penalty and interest.

Disposition

Revenue is deposited to the state's general fund. One percentage point of the state tax is allocated to the localities of Virginia for education. The amount of state tax each locality receives is based upon the locality's school-age population. One-half of one percentage point of the state tax is allocated to the Transportation Trust Fund. The balance of the state tax remains in the general fund. The 1 percent local tax is distributed to the localities for general operating purposes.

Register Online - New businesses can register online using iReg at www.tax.virginia.gov/iReg. Existing registered businesses can add a new tax account, modify existing tax accounts and more by logging into VATAX Online at www.tax.virginia.gov/business and selecting Business Profile Changes. You must be signed up for VATAX Online to be able to login.

File Online - Businesses can file and pay taxes using VATAX Online for Businesses at www.tax.virginia.gov/business

Download Forms Online at www.tax.virginia.gov:

- R-1 - Business Registration Application
- ST-6 - Direct Payment Permit Sales and Use Tax Return
- ST-7 - Virginia Consumer's Use Tax Return for Business
- ST-8 - Out-of-State Dealer's Use Tax Return
- ST-10 - Exemption Certificates (see forms used for Retail Sales Tax in section VIII. through ST-20A)

For Assistance Contact:

Virginia Department of Taxation
P.O. Box 1115
Richmond, VA 23218-1115
804-367-8037
Download at: www.tax.virginia.gov
Fax: 804-236-2779
Telephone: 804-440-2541
Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317
Richmond, VA 23218-1317

Retail Sales Tax General Liability

For the privilege of making retail sales in Virginia, a seller is subject to a sales tax imposed on gross receipts from retail sales of tangible personal property. The seller collects the tax from the customer by separately stating the amount of the tax and adding it to the sales price or charge. Retail sales are defined as sales to a consumer or to any person for any purpose other than for resale. The tax also applies to the furnishing of transient accommodations and the lease or rental of tangible personal property as part of an established business. The tax on accommodations, leases and rentals is based upon the lessor's gross proceeds from leases and rentals and is collected by the lessor by separately stating the amount of tax and adding it to the charge made to the lessee.

Filing Procedure

Registration:

Every individual, partnership, corporation, etc., desiring to engage in business as a dealer in Virginia must file a Business Registration Application, Form R-1, with the Virginia Department of Taxation or register online at www.tax.virginia.gov/iReg. Form R-1 can be downloaded from www.tax.virginia.gov, and mailed to P.O. Box 1114, Richmond, VA 23218-1114. No application fee is required.

Monthly Returns:

On or before the 20th of each month, dealers are required to file on a form furnished by the Virginia Department of Taxation a return showing the gross sales, gross proceeds or cost price, as the case may be, arising from all taxable transactions during the preceding month. At the time of filing the return, the dealer must pay the amount of tax due; either with the return or by EFT.

Quarterly Returns:

The Department determines annually those dealers that should be placed on a quarterly filing basis. Quarterly returns must be filed on or before the 20th of the month following the close of each quarterly period. Quarterly periods end March

31, June 30, September 30 and December 31. At the time of filing the return, the dealer must pay the amount of tax due, either with the return or by EFT.

Where to File:

Returns can be filed online using VATAX Online for Businesses at www.tax.virginia.gov or send to the Virginia Department of Taxation, P.O. Box 26626, Richmond, VA 23261-6626. Checks are made payable to the Virginia Department of Taxation.

Electronic Funds Transfer (EFT)

Electronic Funds Transfer (EFT) involves the transfer of funds from your bank account to the State's bank account. You are required by law to make payments by EFT if your monthly tax liability for this tax exceeds \$20,000.

The Department of Taxation also encourages other businesses that do not have an average monthly liability of \$20,000 to voluntarily transmit their tax return payments by EFT. Payments are submitted directly to the Tax Department's bank from your business bank account. EFT not only saves check writing and mailing costs, but also ensures that your payment is made without the worry of a check being lost in the mail.

For more information on EFT or for a copy of our EFT Guide, visit our website at www.tax.virginia.gov or contact Customer Services by phone at 804-367-8037, or write to the Virginia Department of Taxation, Customer Service Section, P.O. Box 1115, Richmond, VA 23218-1115.

Tax Rates

Generally, the tax rate is 5 percent (4 percent state tax and 1 percent local tax). Nonprescription drugs and proprietary medicines are exempted from state sales and use tax. Effective July 1, 2005, the state sales and use tax rate on food purchased for human consumption was reduced from 3 percent to 1.5 percent. This rate reduction, however, does not affect the local tax rate on such food products.

Penalties and Interest

A return must be filed for each required period even if there is no tax due. If a dealer fails to file or pay the full amount of the tax when due, a penalty of 6 percent of the tax due will be added to the tax for each month or any part of a month that the return is not filed or the tax is not paid. The maximum penalty is 30 percent; the minimum penalty is \$10.

Interest at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent, will be added to the tax on late returns. The variable dealer's discount allowed on timely filed returns is disallowed on any return filed or paid after the due date. The U.S. postmark date on the envelope is used as the basis for imposing penalty and interest.

Disposition

Revenue is deposited to the state's general fund. One percentage point of the state tax is allocated to the localities of Virginia for education. The amount of state tax each locality receives is based upon the locality's school-age population. One-half of one percentage point of the state tax is allocated to the Transportation Trust Fund. The balance of the state tax remains in the general fund. The one percent local tax is distributed for general operating purposes to the locality in which the sale was made.

Register Online - New businesses can register online using iReg at www.tax.virginia.gov/iReg. Existing registered businesses can add a new tax account, modify existing tax accounts and more by logging into VATAX Online at www.tax.virginia.gov/business and selecting Business Profile Changes. You must be signed up for VATAX Online to be able to login.

File Online - Businesses can file and pay taxes using VATAX Online for Businesses at www.tax.virginia.gov/business

Download Forms Online at www.va.tax.gov:

- R-1 - Business Registration Application
- ST-4 - Certificate of Registration
- ST-9 - Dealer's Retail Sales and Use Tax Return
- ST-21 - Direct Pay Permit
- EFT Guide - Electronic Funds Transfer Guide – Guideline, Instructions, Authorization Agreement and Notification Form

Exemption Certificates

- ST-10 - Dealers who purchase tangible personal property for resale, lease, or rental
- ST-10A - Catalogs and other printed materials distributed outside Virginia; property delivered to factory or agent for foreign export; advertising for placement in the media
- ST-10B - Special motor vehicle equipment for handicapped persons
- ST-11 - Manufacturing, processing, refining, converting, mining, basic research and research and development in experimental or laboratory sense, or certified pollution control equipment
- ST-11A - Construction contractors installing industrial manufacturing machinery; certified pollution control equipment or real property construction materials purchased in Virginia for installation in a state or foreign country in which such materials could be purchased free from a sales or use tax; and tangible property; used for agricultural production for market, which becomes part of the realty owned by farmers
- ST-11B - Persons making feed for sale or resale
- ST-12 - Commonwealth of Virginia, political subdivisions of the

- Commonwealth of Virginia, or the United States
- ST-13 - Medical-Related Exemptions
 - ST-13A - Non-profit churches
 - ST-14 - Out-of-state dealer who purchases tangible personal property in Virginia for immediate transportation out of the Commonwealth of Virginia in his own vehicle for resale outside this state
 - ST-14A - Out-of-state livestock brokers or dealers
 - ST-15 - Fuel for domestic consumption
 - ST-16 - Watermen who extract fish, bivalves, or crustaceans from waters for commercial purposes
 - ST-17 - Harvesters of forest products
 - ST-18 - Farmers
 - ST-19 - Shipping lines and companies building or repairing ships for use in interstate or foreign commerce
 - ST-20 - Public service corporations, commercial radio and television companies, cable Television systems, taxicab operators and certain airlines
 - ST-20A - Production companies, program producers, radio, television and cable TV companies and other entities engaged in the production and creation of exempt audiovisual works and the licensing, distributing and broadcasting of the same

For Assistance Contact:

Virginia Department of Taxation
P. O. Box 1115
Richmond, VA 23218-1115
804-367-8037

For Forms:

Download at: www.tax.virginia.gov
Fax: 804-236-2603
Telephone: 804-440-2541
Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317
Richmond, VA 23218-1317

For Information on Electronic Funds Transfer (EFT) Payments Contact:

Website: www.tax.virginia.gov
FAX: 804-367-2603
Virginia Department of Taxation
EFT Registration
P.O. Box 1115

Richmond, VA 23218-1115

Use Tax

General Liability

The use tax applies to tangible personal property used, consumed or stored in Virginia, but purchased outside the state that would have been subject to sales tax if purchased in this state. The use tax also applies to purchases, leases or rentals made in Virginia if the sales tax was not paid at the time of purchase, lease, or rental.

Filing Procedure

Out-of-State Dealers:

Registration

Every individual partnership, corporation, etc., outside Virginia who engages in business in this state as a dealer is required to register, collect and pay the tax on all taxable tangible personal property sold or delivered for storage, use or consumption in this state. Those vendors who are not required to register are encouraged to do so as a service to their Virginia customers.

A new business can register online at www.tax.virginia.gov/iReg or download a Registration Application, Form R-1, and file it with the Virginia Department of Taxation, P.O. Box 1114, Richmond, VA 23218-1114. No application fee is required.

Filing of Returns:

On or before the 20th of the month, out-of-state dealers are required to file a return online at www.tax.virginia.gov/Business using VATAX Online for Businesses, or complete and mail Form ST-8, furnished by the Virginia Department of Taxation showing gross sales or gross proceeds arising from all taxable transactions during the preceding month. At the time of filing the return, the dealer must pay the amount of tax due, either with the return or by EFT.

The Department determines annually those dealers who should file on a quarterly basis. Quarterly returns must be filed on or before the 20th of the month following the close of each quarterly period. Quarterly periods end March 31, June 30, September 30 and December 31. At the time of filing the return, the dealer must pay the amount of tax due, either with the return or by EFT.

Electronic Funds Transfer (EFT)

Electronic Funds Transfer (EFT) involves the transfer of funds from your bank account to the State's bank account. You are required by law to make payments by EFT if your monthly tax liability for this tax exceeds \$20,000

The Department of Taxation also encourages other businesses that do not have an average monthly liability of \$20,000 to voluntarily transmit their tax return payments by EFT. Payments are submitted directly to the Tax Department's bank from your business bank account. EFT not only saves check writing and

mailing costs, but also ensures that your payment is made without the worry of a check being lost in the mail.

For more information on EFT or for a copy of our EFT Guide, visit our website at www.tax.virginia.gov or contact Customer Services by phone at 804-367-8037, or write to the Virginia Department of Taxation, Customer Service Section, P.O. Box 1115, Richmond, VA 23218-1115.

Direct Payment Permit Holder

Registration:

Upon written application to the Virginia Department of Taxation, a Direct Payment Permit may be issued to a manufacturer or mine operator when it is impossible to determine at the time of purchase the manner in which the tangible personal property will be used by such manufacturer or mine operator or Public Service Corporation.

Filing of Return:

On or before the 20th day of each month, Direct Payment Permit holders are required to file a return, Form ST-6, furnished by the Virginia Department of Taxation showing the cost price of tangible personal property arising from all taxable transactions during the preceding month. The tax must be paid when the return is filed.

The Department determines annually those Direct Payment Permit holders who should file on a quarterly basis. Quarterly returns must be filed on or before the 20th day of the month following the close of each quarterly period. Quarterly periods end March 31, June 30, September 30 and December 31.

Tax Rate

The tax rate is 5 percent (4 percent state tax and 1 percent local tax). Nonprescription drugs and proprietary medicines are exempted from state sales and use tax. Effective July 1, 2005, the state sales and use tax rate on food purchased for human consumption was reduced from 3 percent to 1.5 percent. This rate reduction, however, does not affect the local tax rate on such food products.

Penalties and Interest

Out-of-state and Direct Payment Permit holders are required to file returns whether tax is due or not for the particular time period. Consumers are required to file a return and report the tax only at the time a use tax liability accrues on a taxable transaction. When any dealer fails to file or pay the full amount of tax when due, a penalty of 6 percent is added to the tax for each month or any part of a month that the return is not filed or the tax is not paid. The maximum penalty is 30 percent; the minimum penalty is \$10. Interest at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent, will be added to the tax on late returns. Out-of-state dealers will not be allowed the variable dealer's discount on any returns filed or paid after the due date. The

U.S. postmark date on the envelope is used as the basis for imposing penalty and interest.

Disposition

Revenue is deposited to the state's general fund. One percentage point of the state tax is allocated to the localities of Virginia for education. The amount of state tax each locality receives is based upon the locality's school-age population. One-half of one percentage point of the state tax is allocated to the Transportation Trust Fund. The balance of the state tax remains in the general fund. The 1 percent local tax is distributed to the localities for general operating purposes.

Register Online - New businesses can register online using iReg at www.tax.virginia.gov/iReg. Existing registered businesses can add a new tax account, modify existing tax accounts and more by logging into VATAX Online at www.tax.virginia.gov/business and selecting Business Profile Changes. You must be signed up for VATAX Online to be able to login.

File Online - Businesses can file and pay taxes using VATAX Online for Businesses at www.tax.virginia.gov/business

Download Forms Online at www.tax.virginia.gov:

- R-1 - Business Registration Application
- ST-6 - Direct Payment Permit Sales and Use Tax Return
- ST-7 - Virginia Consumer's Use Tax Return for Business
- ST-8 - Out-of-State Dealer's Use Tax Return
- ST-10 - Exemption Certificates (see forms used for Retail Sales Tax in section VIII. through ST-20A)

For Assistance Contact:

Virginia Department of Taxation
P.O. Box 1115
Richmond, VA 23218-1115
804-367-8037
Download at: www.tax.virginia.gov
Fax: 804-236-2779
Telephone: 804-440-2541
Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317
Richmond, VA 23218-1317

Vending Machine Sales Tax General Liability

A tax is imposed on dealers placing vending machines through which they sell tangible personal property. The tax is computed on the cost price (or manufactured cost) of tangible personal property sold through the vending machines. This tax does not apply to non-vending machine dealers such as service station operators who use vending machines at their businesses to sell merchandise. These dealers are subject to the retail sales tax provisions explained in VIII - Sales and Use Taxes.

Filing Procedure

Registration:

Every individual, partnership, corporation, etc. desiring to engage in the business of placing vending machines through which they sell tangible personal property must file a Business Registration Application, Form R-1, with the Virginia Department of Taxation, P.O. Box 1114, Richmond, VA 23218-1114 or register online at www.tax.virginia.gov/iReg. No application fee is required. A separate application must be filed for each county and city in which vending machines are placed.

Monthly Returns:

On or before the 20th of each month, dealers are required to file on a form furnished by the Virginia Department of Taxation showing the cost price or manufactured cost of tangible personal property sold through vending machines during the preceding month. The dealer must pay the amount of tax due at the time of filing the return.

Quarterly Returns:

The Department determines annually those dealers who should file and pay on a quarterly basis. Quarterly returns must be filed on or before the 20th of the month following the close of each quarterly period. Quarterly periods end March 31, June 30, Sept. 30 and Dec. 31.

Where to File:

Returns are filed with the Virginia Department of Taxation, P.O. Box 26626, Richmond, VA 23261-6626. Checks are made payable to the Virginia Department of Taxation.

Tax Rates

The tax rate is 6 percent (5 percent state and 1 percent local tax) of wholesale purchases. Dealers may also request authorization from the Tax Commissioner to report tax based upon 5 percent of gross sales.

Penalties and Interest

A return must be filed for each required period even if there is no tax due. If a dealer fails to file or pay the full amount of the tax when due, a penalty of 6 percent of the tax due will be added to the tax for each month or any part of a

month that the return is not filed or the tax is not paid. The maximum penalty is 30 percent; the minimum penalty is \$10.

Interest at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent, will be added to the tax on late returns. The variable dealer's discount allowed on timely filed returns is disallowed on any return filed or paid after the due date. The U.S. postmark date on the envelope is used as the basis for imposing penalty and interest.

Disposition

Revenue is deposited to the state's general fund. One percentage point of the state tax is allocated to the localities of Virginia for education. The amount of state tax each locality receives is based upon the locality's school-age population. One-half of one percentage point of the state tax is allocated to the Transportation Trust Fund. The balance of the state tax remains in the general fund. The 1 percent local tax is distributed to the localities for general operating purposes.

Register Online - New businesses can register online using iReg at www.tax.virginia.gov/iReg. Existing registered businesses can add a new tax account, modify existing tax accounts and more by logging into VATAX Online at www.tax.virginia.gov/business and selecting Business Profile Changes. You must be signed up for VATAX Online to be able to login.

Download Forms Online at www.tax.virginia.gov:

- R-1 - Business Registration Application
- VM-2 - Vending Machine Dealer's Return
- ST-4 - Certificate of Registration
- ST-10 - Exemption Certificates (see forms used for Retail Sales Tax in Section VII. Sales and through Use Taxes)

For Assistance Contact:

Virginia Department of Taxation
P.O. Box 1115
Richmond, VA 23218-1115
804--367-8037

For Forms:

Download at: www.tax.virginia.gov
Fax: 804-236-2779
Telephone: 804-440-2541
Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317
Richmond, VA 23218-1317

Watercraft Sales and Use Tax

General Liability

A sales tax is imposed upon the purchaser of any watercraft sold in Virginia and upon the user of any watercraft not sold in Virginia, if required to be titled with the Virginia Department of Game and Inland Fisheries for use in Virginia.

In general, for purposes of this tax, a watercraft means any vessel propelled by machinery whether or not the machinery is the principal source of propulsion or any sail-powered boat in excess of 18 feet in length measured along the centerline. A watercraft, however, would not include a seaplane on the water or a watercraft, which has a valid marine titling document issued by the United States Coast Guard. Any motor purchased separately to be used to power a watercraft is subject to watercraft tax.

All transactions subject to the Virginia Watercraft Sales and Use Tax are exempt from the Virginia Retail Sales and Use Tax; however, all watercraft not subject to the Virginia Watercraft Sales and Use Tax are subject to the Virginia Retail Sales and Use Tax.

Dealers are exempt from tax on purchases of watercraft for resale and also on purchases of watercraft for lease, charter or other use for compensation, but are subject to tax on the gross receipts from lease, charter, or other use.

Filing Procedure

Dealer Registration:

In order to be exempt from tax on purchases for resale, dealers must file a Business Registration Application, Form R-1, with the Virginia Department of Taxation, P.O. Box 1114, Richmond, VA 23218-1114 or register online at www.tax.virginia.gov/iReg. No application fee is required. By agreement with the Virginia Department of Taxation, dealers may collect and remit watercraft tax on behalf of their customers.

Dealer Returns:

On or before the 20th of each month, dealers are required to file on forms furnished by the Virginia Department of Taxation returns showing gross receipts from lease, charter and other compensatory use and also gross receipts from sales if authorized by agreement with the Virginia Department of Taxation to collect and remit watercraft tax on behalf of customers.

Individual Purchasers:

Individual purchasers must pay the Watercraft Sales and Use Tax before the watercraft is titled with the Department of Game and Inland Fisheries. All watercraft are required to be titled prior to their operation in Virginia. The tax may be paid at any of the offices of the Virginia Department of Taxation or the Virginia Department of Game and Inland Fisheries. If the watercraft is purchased from a dealer authorized by agreement to collect the tax, it may be paid to the dealer.

Tax Rate

The tax rate is 2 percent of the purchase price, or of the current market value if purchased six months or more before it is required to be titled for use in Virginia. The maximum watercraft tax for any transaction is \$2,000.

Penalties and Interest

If the tax is not paid when due, a penalty of 6 percent of the tax due will be added for each month or part of a month that the tax is not paid, not to exceed 30 percent.

Interest at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent, will be added to the tax if not paid by the due date.

Register Online - New businesses can register online using iReg at www.tax.virginia.gov/iReg. Existing registered businesses can add a new tax account, modify existing tax accounts and more by logging into VATAX Online at www.tax.virginia.gov/business and selecting Business Profile Changes. You must be signed up for VATAX Online to be able to login.

Download Forms Online at www.tax.virginia.gov:

- R-1 - Business Registration Application
- WCT-2 - Virginia Watercraft Sales and Use Tax Return
- 2A - Worksheet and Instructions from WCT-2
- WCT-3A - Individual Watercraft Tax Worksheet
- Forms WCT-3 - Virginia Watercraft Sales Tax Receipt (not available online)

For Assistance Contact:

Virginia Department of Taxation
P.O. Box 1115
Richmond, VA 23218-1115
804-367-8037

For Forms:

Download at: www.tax.virginia.gov
Fax: 804- 236-2779
Telephone: 804-440-2541
Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317
Richmond, VA 23218-1317

IX. MISCELLANEOUS TAXES

Bank Franchise Tax General Liability

The state of Virginia levies a franchise tax on the net capital of banks and trust companies.

Filing Procedure

Returns:

Each bank or trust company must file a return in duplicate on or before March 1 of each tax year with the Commissioner of the Revenue for the county or city in which the principal office of the bank or trust company is located. In addition to these two copies, the bank must transmit one copy each of Schedules C and H to the assessing officer of every other city, incorporated town or county where any branch of such bank or trust company is located.

Assessment and Payment of the Tax:

The Commissioner of the Revenue will certify one copy of the return and send it to the Virginia Department of Taxation. The Virginia Department of Taxation will send to the bank or trust company a notice of assessment on or about May 1. The taxes assessed against the bank or trust company for the tax year must be paid directly to the Virginia Department of Taxation on or before June 1 of each year.

Any bank or trust company paying franchise taxes assessed by a city, incorporated town or county is entitled to a credit upon the state taxes assessed against the bank or trust companies (see Tax Rate and Local Credit).

Official Report of Condition and Income:

Each bank franchise tax return must be accompanied by a copy of the official report of condition and income of the bank or trust company that was filed with the comptroller of the currency or with the State Corporation Commission as of the close of business December 31 of the preceding year.

Tax Rate and Local Credit

State Tax:

\$1 per \$100 of taxable value on January 1 of each year except for new banks.

New Banks:

The bank franchise tax for new banks will be prorated as follows:

1. First transacting business before March 31, \$1.00 on each \$100 of net capital, no proration.
2. First transacting business between April 1 and June 30, 75 cents on each \$100 of net capital.
3. First transacting business between July 1 and September 30, 50 cents on each \$100 of net capital.
4. First transacting business between October 1 and December 31, 25 cents on each \$100 of net capital.

Local credit:

A credit is allowed for amounts paid to cities, towns or counties for taxes assessed upon a bank's net capital.

Any city, county, or town may impose a tax not to exceed 80 percent of the state rate of taxation.

Penalty and Interest

Any bank that fails to comply with any provisions in this chapter will be subject to a penalty of 5 percent of the tax due. Interest at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent, will be added to the tax if not paid by the due date.

Disposition

The state's share of the revenue is deposited to the general fund.

Download Forms Online at www.tax.virginia.gov:

Form 64 -	Bank Franchise Tax Return
(Form 64) -	Schedule C – Assessed Value of Real Estate
(Form 64) -	Schedule D – Book Value of Tangible Personal Property Otherwise Taxed in this State
(Form 64) -	Schedule E – Computation of Capital Attributed to United States Obligations
(Form 64) -	Schedule F – Retained Earnings and Surplus of Subsidiaries
(Form 64) -	Schedule G – Reserve for Loan Losses
(Form 64) -	Schedule H – City, Town or County Taxes
Form 65 -	Notice of Assessment of Bank Franchise Tax
Form 301 -	Enterprise Zone Credit

For Assistance Contact:

Your local Commissioner of the Revenue, Director of Finance, or Director of Tax Administration.

Information is also available from:

Virginia Department of Taxation
P.O. Box 715
Richmond, VA 23218-0715
804-371-0730

For Forms:

Download at: www.tax.virginia.gov
Fax: 804-236-2779
Telephone: 804-440-2541
Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317
Richmond, VA 23218-1317

Cigarette Tax

General Liability

Virginia currently imposes a cigarette excise tax (*Code of Virginia §58.1-1000 etSeq.*) in the amount of 1.5 cents per cigarette. This equates to 30-cents per pack for a standard pack of 20 cigarettes, or \$3.00 per carton. Payment of the tax is evidenced by affixing a Virginia Revenue Stamp (cigarette stamp) to each pack of cigarettes.

Only suppliers who have applied for and received a Stamping Agent Permit from the Department of Taxation (TAX) may purchase Virginia cigarette stamps. Virginia Department of Taxation is the only authorized dealer of cigarette stamps, and the stamps may neither be resold by, returned to or purchased from, parties other than the department.

Every Stamping agent who sells, stores, or receives cigarettes for the purpose of distribution to any person, firm, corporation, or association within Virginia must pay the state excise tax on such cigarettes by affixing the stamps to the cigarette packs. There are only a few exemptions to this requirement, which are outlined below.

Other than exempt cigarettes, all cigarettes for sale in Virginia should have the revenue stamp affixed to each pack. Persons in possession of unstamped cigarettes are liable for the payment of the excise tax as well as a penalty of up to \$500 per pack of unstamped cigarettes. In cases where a person is in possession of more than 500 packs of unstamped cigarettes, the maximum penalty is increased to \$2,500 per pack. In addition, it is a class 2 misdemeanor to possess unstamped cigarettes when the amount of unstamped cigarettes is less than 3,000 packs and a class 6 felony to possess more than 3,000 packs of unstamped cigarettes.

Several Virginia localities levy local cigarette taxes. The local Commissioner of Revenue should be contacted directly for information on local tax rates and stamping requirements.

Although Roll Your Own (RYO) tobacco is subject to the cigarette tax, the cigarette tax on RYO is administered in the same manner as the Tobacco Products Tax. Roll-your-own tobacco means any tobacco labeled for or suitable for use and purchase by consumers as tobacco for making cigarettes for personal consumption.

Legal Cigarettes

It is unlawful for any person to stamp or offer for sale a package of cigarettes of a manufacturer or brand family that is not included in the Tobacco Directory maintained by the Virginia Office of the Attorney General (www.oag.state.va.us).

The distribution into Virginia of cigarettes that are intended to be sold outside the United States or would otherwise violate federal law if sold in Virginia is prohibited. Any person who violates this prohibition is guilty of a Class 5 felony and is subject to a penalty of 1 to 10 years in jail or 1 year in jail and/or a \$2,500 fine. In addition, the Virginia Department of Taxation will assess a fine of up to the greater of 500% of the retail value of the cigarettes involved or \$5,000.

Permits

Only cigarette manufacturers, cigarette wholesale distributors or retailers may be licensed as a stamping agent. To become a licensed stamping agent you must file an application (Form TT-1 Application for Cigarette Stamping Permit and Tobacco Products Tax Distributor's License). There is a \$600 application fee due with the application and a criminal background check will be conducted on the principal operatives of the company. Applicants should allow at least 60 days for processing of their applications and the issuance of their permits. Permits are valid for a period of three years from the date of issue.

Principal operatives requiring a criminal background check includes anyone who meets any of the following criteria: any officer, director, manager, sole proprietor, partner, member, stockholder, or any other person possessing an ownership interest of 10% or greater in the applicant entity. Background checks will also be required for anyone who exercises authority or control over the purchase, storage, sale or distribution of cigarettes or OTP, or over the compliance with any cigarette or tobacco products tax laws.

Any person who assumes any of the roles mention above after the initial application is filed must apply to the Virginia Department of Taxation for a background check within thirty (30) days of assuming that role. Cigarette distributors with multiple locations must obtain a separate permit for each stamping location. There is an additional \$100 fee for each background check submitted subsequent to the initial application.

Reports

All stamping agents must file a Form TT-13 (Virginia based stamping agents) or TT-14 (stamping agents based outside of Virginia) by the 20th of each month to report their cigarette stamp inventory activity and stamp usage for the prior month. Stamping agents are required to file a report even if they had no stamping activity for the month.

There is no tax payment due with the TT-13 or TT-14.

There is a \$250 late filing, or non-filing, penalty for reports received after the 20th of the month. A stamping agent permit may be revoked by the Virginia Department of Taxation if more than two monthly reports are not filed, or not timely filed, within one calendar year.

Forms are available on the Virginia Department of Taxation website, www.tax.virginia.gov.

Stamp Purchases

Cigarette stamps maybe purchased from TAX by completing Form TT 2, Order for Virginia Cigarette Tax Stamps. Present the completed form with your payment to the Fiscal Office at 3600 West Broad Street, Richmond, or to our district office in Norfolk at 6340 Center Drive, Building 7, and Suite 101. Stamps are also available for purchase from the Treasurer's Office of the following localities:

City of Bristol

City of Culpeper
City of Danville
City of Fairfax
City of Lynchburg
City of Roanoke
City of Waynesboro

Stamping agents are eligible for a discount on the purchase price of cigarette stamps at the rate of 2 percent of the amount charged for the stamps. Stamps may also be purchased on credit provided the Stamping Agent has a bond on file with the Virginia Department of Taxation.

Stamping agents may also apply for a credit for the write off of a bad debt related to the sale of cigarettes. Only the cigarette taxes attributable to the debt being written off are eligible for this credit. To apply for the credit, file Form TT-12 and its Schedule A. Once the credit is granted, it may be applied to the cost of future cigarette stamp purchases.

Please contact the Fiscal Office at 804-367-8465 if you need more information on stamp purchases.

Exemptions to Stamping Requirement/Failure to Affix Stamps

Virginia law requires that stamping agents affix revenue stamps to all unstamped cigarettes *within one business day of receipt* of the cigarettes. All packs of cigarettes must be stamped prior to shipping them to either other wholesaler distributors or retail outlets. Consequently, the Virginia Department of Taxation inspectors should never find unstamped cigarette products on the shelves of retail establishments.

There are only three exceptions to the stamping requirement. Cigarette packs do not have to have the Virginia cigarette stamp affixed if:

1. The cigarettes are sold to a cigarette dealer who is engaged in business as a cigarette dealer in another state (and, such cigarettes are purchased for resale in another state; such cigarettes at the time of sale are properly stamped with revenue stamps authorized and issued by another state).
2. The cigarettes are sold to the United States or any instrumentality thereof for the purpose of resale to and consumption by, members of the armed services (cigarettes sold directly to members of the armed forces must be stamped), and;
3. Cigarettes are sold to ships regularly engaged in foreign commerce or coastwise shipping between points in Virginia and are intended for sale or consumption on those ships.

Stamping Agents are subject to a penalty of up to \$250 per pack for each failure to properly affix the required stamps. If the amount of unstamped cigarettes exceeds 100 packs, the maximum penalty increases to \$500 per pack. The Code of Virginia Section 58.1-1013 imposes a penalty of \$2,500 per pack where willful intent to defraud the Commonwealth of the tax exists. It shall be *prima facie* evidence of intent to defraud when the number of unstamped

cigarettes is the greater of 30 packs, or 5% of the cigarette inventory in the place of business of such person or business. Notwithstanding these threshold limits, if the number of unstamped packs exceeds 500 packs, it shall be *prima facie* evidence of intent to defraud. Each pack not having proper stamps affixed is deemed a separate offense. The Virginia Department of Taxation may also revoke the stamping agent's permit for non-compliance with cigarette stamping requirements.

Cigarette Retailer Requirements

Virginia does not require cigarette retailers to have a license to sell cigarettes. However, even though stamping agents are required to affix the stamps to cigarettes prior to shipping to retail outlets, every cigarette retailer is responsible for inspecting their shipments upon receipt to ensure cigarette stamps have been properly affixed. Unstamped packs should be removed from inventory and set aside for return to the cigarette supplier. The Virginia Department of Taxation conducts regular random inspections of cigarette retailers throughout the Commonwealth. Any person who is not a stamping agent who sells, purchases, transports, receives or possesses less than 3,000 packs of unstamped cigarettes for the purpose of evading taxes is subject to a penalty not to exceed \$500 per pack. Any person who is not a stamping agent who sells, purchases, transports, receives or possesses 3,000 packs or more of unstamped cigarettes for the purpose of evading taxes is subject to a penalty not to exceed \$2,500 per pack. If a person who (i) has not been issued a permit to affix revenue stamps by TAX or (ii) is not a retail dealer who has lawfully purchased cigarettes from such permit holder has in his possession within the Commonwealth more than 30 packs of unstamped cigarettes, such possession is presumed to be for the purpose of evading taxes.

Individual Consumer Requirements

Consumers should be aware that all cigarette packs should have the Virginia stamp affixed regardless of where in Virginia the cigarettes were purchased. Typically, but not always, Virginia consumers come into possession of unstamped cigarettes through internet purchases. If you do purchase unstamped cigarettes, a Form TT-7, Consumer Cigarette Tax Return, should be completed and submitted with your cigarette tax payment to the Virginia Department of Taxation. Like retailers, consumers are liable for cigarette taxes and penalties if they are in possession of unstamped cigarettes.

Cigarette Manufacturer Requirements

Virginia does not license cigarette manufacturers to produce or sell cigarette products in the Commonwealth. However, all manufacturers producing cigarettes in the Commonwealth, or shipping cigarettes into or within Virginia, must file a monthly report of such activities (form TT-18). The manufacturer must identify all purchasers of cigarettes by name and address; and also state the quantities (in sticks) of cigarettes purchased by brand. This report is due on the tenth of each month following the month of purchases.

Failure to file the monthly report is a Class 2 misdemeanor. In addition, the Virginia Department of Taxation may also impose a civil penalty of up to \$5,000 for each failure to file or refusal to provide the requested information.

Cigarette manufacturers selling cigarettes to consumers within Virginia, whether directly or through a distributor or similar intermediary, must either A) become a participating manufacturer (PM) and perform its financial obligations under the Master Settlement Agreement or, B) be a non-participating manufacturer (NPM) and place into a qualified escrow fund by April 15 of each year such amounts as direct under the *Code of Virginia* §3.1-336.2 (2).

Appeals

Taxpayers may appeal cigarette tax issues and assessments to the Virginia Department of Taxation using the administrative appeals process as established in *Code of Virginia* §58.1-1820. Please see the *Virginia Taxpayers Bill of Rights*, available at the Virginia Department of Taxation's website, for additional information.

Disposition of Taxes

Revenue generated by the cigarette tax, permit application fees and cigarette tax penalties is deposited into the Virginia Health Care Fund.

Cigarette Tax Forms

You may download these forms online at www.tax.virginia.gov:

TT-1:	Application for Permit to Purchase and Virginia Revenue Stamps
TT-1 A:	Schedule A: TT-1 Personal Data Form
TT-2:	Order for Virginia Cigarette Tax Stamps
TT-7:	Consumer Cigarette Tax Return
TT-12:	Application for Cigarette Tax Credit Certificate
TT-13:	Monthly Report of Resident Cigarette Wholesaler
TT-14:	Monthly Report of Non-resident Cigarette Wholesaler
TT-18:	Monthly Report of Cigarette Manufacturers
TT-18 A:	Cigarette Manufacturers Monthly Reconciliation
Publication:	<i>Virginia Taxpayer Bill of Rights</i>
Publication:	<i>Virginia Tobacco Directory</i> (Go to: www.oag.state.va.us)

For General Assistance Contact:

Tobacco Unit
Virginia Department of Taxation
P.O. Box 715
Richmond, VA 23218-0715
804-371-0730

For Forms Request:

Download at: www.tax.virginia.gov

Telephone: 804-786-3503

For Questions about Stamp Purchases:

Fiscal Office

Virginia Department of Taxation

P.O. Box 1301

Richmond, VA 23218-1301

804-367-8465

Tobacco Products Tax**General Information**

Virginia imposes a tax on the selling of tobacco products in the Commonwealth by any person engaged in the business of a tobacco product distributor (*Code of Virginia §58.1-1021 et al*). The tax is 10 percent of the *manufacturer's* sales price (distributor's purchase price) of the tobacco products. You must receive a license from the Virginia Department of Taxation to legally conduct business as a tobacco product distributor. The tax must be paid by the distributor, and so noted on any invoice or receipt provided to the purchaser (see "Recordkeeping").

Other Tobacco Products (OTP)

For purposes of this tax, other tobacco product means:

- Cigars as defined in Section 5702 of the Internal Revenue Code
- Smokeless Tobacco as defined in Section 5702 of the Internal Revenue Code (chewing tobacco, snuff, etc.)
- Pipe Tobacco as defined in Section 5702 of the Internal Revenue Code
- Roll-your-own (RYO) tobacco, which means any tobacco labeled for or suitable for use and purchase by consumers as tobacco for making cigarettes for personal consumption.

Cigarettes are not subject to the Other Tobacco Products Tax.

Please see the Cigarette Tax chapter for more information on cigarette taxes. Although roll your own (RYO) tobacco is subject to the cigarette tax, the cigarette tax on RYO is administered in the same manner as the Tobacco Products Tax. Roll-your-own tobacco means any tobacco labeled for or suitable for use and purchase by consumers as tobacco for making cigarettes for personal consumption.

For purposes of this tax, distributor means:

- Any person engaged in the business of selling tobacco products in the Commonwealth who brings or causes to be brought in to the

Commonwealth from outside the Commonwealth any tobacco products for sale.

- Any person, who makes, manufacturers, fabricates, or stores tobacco products in the Commonwealth for sale in the Commonwealth.
- Any person engaged in the business of selling tobacco products outside the Commonwealth who ships or transports tobacco products to any person in the business of selling tobacco products in the Commonwealth.
- Any retail dealer in Virginia in possession of untaxed tobacco products.

Permits

Any person engaged in the business of selling OTP in Virginia who imports OTP from outside the Commonwealth, or manufacturers or stores OTP in Virginia, or any Virginia retail dealer in possession of untaxed OTP, must apply for and receive a permit to legally conduct an OTP business in Virginia.

It is unlawful to import, transport, or possess for resale any tobacco products in the Commonwealth without a permit. There is a presumption that dealing in OTP without a license is for the purpose of evading the tax. As such, all OTP inventories, fixtures, equipment, materials and personal property used in connection with the unlicensed possession and sale of OTP are subject to seizure and forfeiture.

To become a licensed OTP distributor, you must file an application for and receive a permit. The application forms are: Form TT-1 (Application for Cigarette Stamping Permit and Tobacco Products Tax Distributor's License) and Schedule A (Personal Data Form). There is a \$600 application fee due with the application and a criminal background check will be conducted on the principal operatives of the company. Applicants should allow at least 60 days for processing of their applications and the issuance of their permits. Permits are valid for a period of three years from the date of issue.

Principal operatives requiring a criminal background check includes anyone who meets any of the following criteria: any officer, director, manager, sole proprietor, partner, member, stockholder, or any other person possessing an ownership interest of 10% or greater in the applicant entity. Background checks will also be required for anyone who exercises authority or control over the purchase, storage, sale or distribution of cigarettes or OTP, or over the compliance with any cigarette or tobacco products tax laws.

Any person who assumes any of the roles mentioned above after the initial application is filed must apply to the Virginia Department of Taxation for a background check within thirty (30) days of assuming that role. OTP distributors with multiple locations pay only one fee. There is an additional \$100 fee for each background check submitted subsequent to the initial application.

A retail dealer may not purchase tobacco products for resale to consumers from any person (distributor) unless the Commonwealth of Virginia licenses that distributor, or the retail dealer applies for and is granted it's own OTP license.

OTP Tax Return (TT-8)

OTP distributors liable for the OTP tax must file a Form TT-8 (Tobacco Products Tax Return) each month to report OTP purchases made the previous month. Form TT-8 and the OTP tax payment is due by the 20th of the month.

The OTP tax is imposed on the distributor at a rate of 10 percent of the OTP distributor's purchase price (*manufacturer's* sale price). The distributor who first possesses in Virginia the tobacco product subject to this tax is by law the distributor responsible for the tax.

Penalties and Interest

A Form TT-8 must be filed for each month even if there is no tax due. If a distributor fails to file or pay the full amount of the tax when due, a penalty is assessed on the late payment. The penalty is five (5) percent of the tax due for one month, or fraction of a month, with an additional penalty of 2 percent for each additional month or fraction of a month.

The maximum penalty that can be assessed is 20 percent of the tax due. The minimum penalty that will be assessed is \$10 and *will apply whether or not any tax is due* for the period.

In the case of a false or fraudulent return where willful intent exist to defraud the Commonwealth of any tax due, or of a failure to file a return with the intent to defraud the Commonwealth of any tax, a penalty of 50 percent of the amount of the OTP tax will be assessed. Intent to defraud is assumed if any taxpayer reports sales or purchases at 50 percent or less than the actual amount.

Interest on late returns and unpaid balances will be applied at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent.

Recordkeeping

Each distributor must keep in each licensed place of business complete and accurate records for that place of business. Records must include itemized invoices of tobacco products purchased and imported into Virginia, records of all sales of other tobacco products, records of OTP transfers to other retail outlets owned by the licensee and any other records required by the Virginia Department of Taxation.

Records must be retained for at least three years, and must be available for inspection by department agents or employees at any time during normal business hours.

Each invoice for the sale of OTP to persons other than the ultimate consumer must clearly state the distributor's name and address, the purchaser's name and address, the date of sale, all prices and the wording "Virginia Tobacco Products Tax Paid." If the invoice includes items not subject to the OTP tax, the invoice must show separate subtotals for taxable and nontaxable items. Otherwise, separate invoices must be issued for taxable and non-taxable items.

Failure to make OTP records available for inspection is a Class 2 misdemeanor under the *Code of Virginia §58.1-103*.

Appeals

Taxpayers may appeal tobacco products tax issues to the Virginia Department of Taxation using the administrative appeals process as established in *Code of Virginia §58.1-1820*. Please see the *Virginia Taxpayer Bill of Rights*, available at the department's website, for additional information.

Disposition

Revenue generated from the Tobacco Products Tax is deposited into the Virginia Health Care Fund.

Additional Information

For additional information on the Tobacco Products Tax, download Form TT-22 (Tobacco Products Tax Guidelines and Rules) from the department's website at www.tax.virginia.gov.

Other Tobacco Products Tax Forms

You may download these forms online at www.tax.virginia.gov:

TT-8	Virginia Tobacco Products Tax Return and Instructions
TT-20	Tobacco Products Tax Monthly Recordkeeping
TT-22	Tobacco Products Tax Guidelines and Rules
Publication:	Virginia Taxpayer Bill of Rights

For Assistance Contact:

Tobacco Unit
Virginia Department of Taxation
P.O. Box 715
Richmond, VA 23218-0715
804-371-0730

Additional information including forms, guidelines and frequently asked questions will be available on the Department of Taxation website at www.tax.virginia.gov.

Apple Excise Tax

General Liability

The producer is liable for the payment of the tax on all apples grown for sale. A producer is defined as any person who, in a calendar year, grows or causes to be grown within the Commonwealth of Virginia, for sale, a minimum of 5,000 tree run bushels of apples. Tree run bushel means a container, with a content of not less than 2,140 cubic inches or more than 2,500 cubic inches, of apples that have not yet been graded or sized. An excise tax is levied on apples grown in Virginia for sale by a producer.

Filing Procedure

Producers do not need to register for the Apple Tax using Form R-1.

The Apple Excise Tax return must be filed by the producer with the Virginia Department of Taxation on an annual basis. The annual period for the return runs from January 1 through December 31. The return is due and the tax payable on January 31 of the following year.

Assessment Rate

The tax is 2.5 cents per tree run bushel.

Penalties and Interest

If the tax is not paid when due, a penalty of 5 percent of the tax due will be added to the tax, and the Virginia Department of Taxation will notify the taxpayer of such delinquency. If the tax and penalty are not paid within 30 days of the notification, Code, interest at the underpayment rate established by Section 6621 of the Internal Revenue plus 2%, will be added on both the tax and penalty.

For Assistance Contact:
Virginia Department of Taxation
P.O. Box 715
Richmond, VA 23218-0715
804-786-2450

For Forms:

Download at: www.tax.virginia.gov
Fax: 804-236-2779
Telephone: 804-440-2541
Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317
Richmond, VA 23218-1317

Corn Assessment

General Liability

An assessment is levied on corn produced in Virginia for sale. The handler (defined as a processor, dealer, shipper, country buyer or exporter who purchases corn from farmers, a farmer who sells his/her corn out of state, or any person acquiring property in corn from a producer, when the actual or constructive possession of such corn is taken as part payment or in satisfaction of such claim) is responsible for payment of the assessment. The assessment must be deducted by handlers from payments to farmers for corn purchased.

Filing Procedure

To register for the Corn Assessment, handlers must file a Business Registration Application, Form R-1, with the Virginia Department of Taxation, P.O. Box 1114, Richmond, VA 23218-1114 or register online at

www.tax.virginia.gov/iReg. No application fee is required. Handlers must file corn Assessment returns with the Virginia Department of Taxation on a quarterly basis even if no tax is due. Returns are due by the last day of the month following the end of each quarter. Quarters end March 31, June 30, September 30, and December 31.

Assessment Rate

The assessment is 1 cent per bushel.

Penalties and Interest

If the tax is not paid when due, a penalty of 5 percent of the tax due will be added to the tax, and the Virginia Department of Taxation will notify the taxpayer of such delinquency. If the tax and penalty are not paid within 30 days of the notification, interest will accrue on unpaid tax at the rate of 1 percent per month from the due date through the date paid.

Disposition

This assessment is credited to a special fund for market development, education, publicity, research, and promotion of the sale and use of corn.

Register Online - New businesses can register online using iReg at www.tax.virginia.gov/iReg. Existing registered businesses can add a new tax account, modify existing tax accounts and more by logging into VATAX Online at www.tax.virginia.gov/business and selecting Business Profile Changes. You must be signed up for VATAX Online to be able to login.

Download Forms Online at www.tax.virginia.gov

R-1 - Business Registration Application

CO-1 - Virginia Corn Assessment Return (a return should be filed even if no tax is due)

For Assistance Contact:

Virginia Department of Taxation
P.O. Box 715
Richmond, VA 23218-0715
804-786-2450

For Forms:

Download at: www.tax.virginia.gov
Fax: 804-236-2779
Telephone: 804-440-2541
Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317 - Richmond, VA 23218-1317

Cotton Assessment

General Liability

An assessment is levied on any cotton sold in Virginia. The handler is responsible for deducting the assessment from payments for cotton purchased from the owner. For purposes of this tax, "handler" means a commercial enterprise that gins cotton.

Filing Procedure

To register for the Cotton Assessment, handlers must file a Business Registration Application, Form R-1, with the Virginia Department of Taxation, P.O. Box 1114, Richmond, VA 23218-1114 or register online at www.tax.virginia.gov/iReg. No application fee is required. The Cotton Assessment return must be filed and the tax paid by the handler with the Virginia Department of Taxation on or before the last day of the month following the end of each quarter. Quarters end March 31, June 30, September 30, and December 31.

Assessment Rate

Effective September 1, 2006 the assessment is 95 cents per bale of cotton.

Penalties and Interest

If the assessment is not paid when due, a penalty of 5 percent of the tax due will be added to the tax, and the Virginia Department of Taxation will notify the taxpayer of such delinquency. If such deficiency is not paid within 30 days of the notification, interest will accrue at the underpayment rate established by Section 6621 of the Internal Revenue Service Code, plus 2 percent will be added to both the tax and penalty.

Disposition

The assessment is credited to a special fund to provide for additional research concerning education on, and promotion of, the growth and use of cotton.

Register Online - New businesses can register online using iReg at www.tax.virginia.gov/iReg. Existing registered businesses can add a new tax account, modify existing tax accounts and more by logging into VATAX Online at www.tax.virginia.gov/business and selecting Business Profile Changes. You must be signed up for VATAX Online to be able to login.

Download Forms Online at www.tax.virginia.gov

R-1 - Business Application Registration

CX-1 - Virginia Cotton Assessment (a return should be filed even if no tax is due)

For Assistance Contact:

Virginia Department of Taxation

P.O. Box 715

Richmond, VA 23218-0715

804-786-2450

For Forms:

Download at: www.tax.virginia.gov

Fax: 804-236-2779

Telephone: 804-440-2541804-236-2760, 804-236-2761, or 804-236-2762

Virginia Department of Taxation

Forms Request Unit

P.O. Box 1317

Richmond, VA 23218-1317

Egg Excise Tax

General Liability

A tax is levied on shell eggs and egg products sold or consumed in Virginia. The handler of such eggs is responsible for payment of the tax. For purposes of this tax, “handler” includes:

1. Any person who operates a grading station, a packer, a huckster, a distributor, or other person who purchases, sells or handles eggs that are used at the wholesale level for consumption in Virginia, or a farmer who packs, processes or otherwise performs the functions of a handler; or
2. Any person in Virginia who purchases eggs, or the liquid equivalent thereof, from anyone other than a “registered handler” for use or consumption at wholesale in Virginia. Every person, whether in-state or out-of-state, who engages in business in the Commonwealth as a handler, is required to register. Generally, the last handler who sells eggs or egg products to a retailer or food service establishment located in Virginia is responsible for collecting and remitting the tax to the Department of Taxation.

The term “registered handler” means any person who has registered with the Tax Commissioner for receiving monthly return forms and reporting the egg excise tax. Eggs shall be deemed to be used in Virginia if, at a Virginia location, they are incorporated into another product so as to lose their character as eggs. Eggs shall be deemed to be consumed in Virginia if they are actually consumed in Virginia or sold at a location in Virginia.

Filing Procedure

To register for the Egg Excise Tax, handlers must file a Business Registration Application, Form R-1, with the Virginia Department of Taxation. Registration can be done on-line at www.tax.virginia.gov using iReg for Businesses. The form can also be downloaded and mailed to P.O. Box 1114, Richmond, VA 23218-1114. No application fee is required. The Virginia Egg Excise Tax Report (Form EG-1) and payment of tax must be filed each month by the handler with the Virginia Department of Taxation. Monthly returns must be filed and tax paid by the 20th of the following month. The supplementary egg products worksheet (Form EG-2) is due at the same time to the Virginia Egg Board.

Tax Rate

The tax rate is 5 cents per 30 dozen cases for shell eggs, and 11 cents per hundred pounds of liquid eggs or liquid equivalent of other egg products.

Penalties and Interest

If the assessment is not paid when due, a penalty of 5 percent of the tax due will be added to the tax, and the Virginia Department of Taxation will notify the taxpayer of such delinquency. If such delinquency is not paid within thirty (30) days of notification, interest will accrue on unpaid tax at underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent, from the due date through the date paid.

Disposition

This tax is credited to a special fund to provide for additional research, education, publicity and advertising to enhance the economical production and orderly marketing of shell eggs and egg products, which in turn, benefit the state as a whole.

Register Online - New businesses can register online using iReg at www.tax.virginia.gov/iReg. Existing registered businesses can add a new tax account, modify existing tax accounts and more by logging into VATAX Online at www.tax.virginia.gov/business and selecting Business Profile Changes. You must be signed up for VATAX Online to be able to login.

Download Forms Online at www.tax.virginia.gov:

R-1 - Business Registration Application

EG-1 - Virginia Egg Excise Tax Report Form (a form should be filed even if no tax is due)

EG-2 - Virginia Egg Products Worksheet Form

For Assistance Contact:

Virginia Department of Taxation

P.O. Box 715

Richmond, VA 23218-0715

804-786-2450

Virginia Egg Board

911 Saddleback Court

McLean, Virginia 22102

703-790-1984

For Forms:

Download at: www.tax.virginia.gov

Fax: 804- 236-2779

Telephone: 804-440-2541

Virginia Department of Taxation

Forms Request Unit

P.O. Box 1317
Richmond, VA 23218-1317

Forest Products Tax

General Liability

A tax is levied upon every person engaging in this state in the business of manufacturing, shipping or severing timber or any other forest products from the soil for sale, profit, or commercial use. This includes owners, wood yard owners or operators, lessees, concessionaires, agents, contractors, shippers or manufacturers.

Filing Procedure

Filing of Returns:

To register for the Forest Products Tax, a Business Registration Application, Form R-1, must be filed with the Virginia Department of Taxation. Registration can be done online at www.tax.virginia.gov/iReg. The form can also be downloaded and mailed to P.O. Box 1114, Richmond, VA 23218. No application fee is required. The Forest Products Tax return must be filed and the tax paid with the Virginia Department of Taxation within 30 days after the close of each quarter. Quarters end March 31, June 30, September 30 and December 31.

Small Manufacturers:

Any manufacturer of rough lumber, who during any one calendar year manufactures 500,000 or less board feet, may elect to pay a flat tax of (1) \$460 when the amount cut is between 500,000 board feet and 300,000 board feet; or (2) \$230 when the amount is 300,000 board feet or less.

In such cases, the tax is due within 30 days after the last day of December of each year. The manufacturer must submit with the tax payment a statement certifying that he actually manufactured a quantity of rough lumber in accordance with the above schedule during the preceding calendar year.

Certain Small Severers:

Any person who severs for sale 100 or less cords of fuel wood or 500 or less posts or fish net poles during any one calendar year may elect to pay the tax due within 30 days after the last day of December. Such individual should submit with the tax payment a statement certifying the quantity of products severed during the preceding year.

Tax Rates

Contact the Virginia Department of Taxation for rates on forest products.

Penalties and Interest

Any person who fails to pay the tax when due must pay, in addition to the tax, a penalty of 5 percent of the amount of tax due. Six months from the date the tax was due, interest is charged on both the tax and penalty at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent.

Disposition

The tax is credited to a special fund to provide for conservation of the natural resources of the state by the protection and development of the forest resources and reforestation of forestlands.

Register Online - New businesses can register online using iReg at www.tax.virginia.gov/iReg. Existing registered businesses can add a new tax account, modify existing tax accounts and more by logging into VATAX Online at www.tax.virginia.gov/business and selecting Business Profile Changes. You must be signed up for VATAX Online to be able to login.

Download Forms Online at www.tax.virginia.gov:

R-1 - Business Registration Application

1034 - Forest Products Tax Return (a return should be filed even if no tax is due)

1035 - Forest Products Tax Return (Small Manufacturers and Certain Small Severers)

For Assistance Contact:

Virginia Department of Taxation

P.O. Box 715

Richmond, VA 23218-0715

804-786-2450

For Forms:

Download at: www.tax.virginia.gov

Fax: 804- 236-2779

Telephone: 804-440-2541

Virginia Department of Taxation

Forms Request Unit

P.O. Box 1317

Richmond, VA 23218-1317

Litter Tax

General Liability

A litter tax is imposed on every person in the state who, on January 1 of the taxable year, was engaged in business as a manufacturer, wholesaler, distributor, or retailer of certain enumerated products. This tax does not apply to individual consumers. The tax is imposed on:

1. An individual as a sole proprietor;
2. Partnerships, but not partners;
3. Limited liability companies, but not members;
4. S Corporations, but not shareholders;
5. Corporations, but not shareholders;
6. Associations, but not members; and
7. Trusts or estates operating such businesses.

Any person who manufactures, wholesales, distributes, or retails any of the following products is subject to the tax:

1. Food for human or pet consumption;
2. Groceries;
3. Cigarettes and tobacco products;
4. Soft drinks and carbonated waters;
5. Beer and other malt beverages;
6. Wine
7. Newspapers and magazines
8. Paper products and household paper
9. Glass containers
10. Metal containers
11. Plastic or fiber containers made of synthetic material
12. Cleaning agents and toiletries
13. Non-drug drugstore sundry products
14. Distilled spirits
15. Motor vehicle parts

Filing Procedure

Filing of Returns: To register for the Litter Tax, a Business Registration Application, Form R-1, must be filed with the Virginia Department of Taxation. Registration can be done online at www.tax.virginia.gov using iReg for Businesses. The form can also be downloaded and mailed to

Virginia Department of Taxation, P.O. Box 1114, Richmond, VA 23218-1114. No application fee is required. The Litter Tax return, Form 200, must be filed with the Virginia Department of Taxation and the tax paid on or before May 1, regardless of whether the taxpayer operates on a calendar or fiscal year basis for tax purposes. When the return is filed, the full amount of the tax as shown on the face of the return should be paid. The Code of Virginia does not provide for an extension of time to file Form 200 and pay the litter tax.

Tax Rates

An annual \$10 litter tax is imposed on each Virginia business establishment from which such a business is conducted on January 1 of the taxable year. In addition to the \$10 litter tax, each business operating as a manufacturer, wholesaler, distributor or retailer of groceries, soft drinks, carbonated waters, or beer or other malt beverages shall pay an additional annual Litter Tax of \$15 for each Virginia business establishment from which such business is conducted.

Penalties and Interest

A penalty equal to 100 percent of the amount of the tax due will be added for failure to pay on or before the due date. Interest will be added to delinquent tax at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent from the original due date of the tax until the date of payment.

Disposition - Revenue is deposited to the state's Litter Control and Recycling Fund.

Register Online - New businesses can register online using iReg at www.tax.virginia.gov/iReg. Existing registered businesses can add a new tax account, modify existing tax accounts and more by logging into VATAX Online at www.tax.virginia.gov/business and selecting Business Profile Changes. You must be signed up for VATAX Online to be able to login.

Download Forms Online at www.tax.virginia.gov:

R-1 - Business Registration Application

200 - Virginia Litter Tax Return

For Assistance Contact:

Virginia Department of Taxation

P.O. Box 1115

Richmond, VA 23218-1115

804-367-8037

For Forms:

Download at: www.tax.virginia.gov

Fax: 804-236-2779

Telephone: 804-440-2541

Virginia Department of Taxation

Forms Request Unit

P.O. Box 1317

Richmond, VA 23218-1317

Peanut Excise Tax

General Liability

An excise tax is levied on peanuts grown and sold in Virginia for processing. The processor is liable for the payment of the tax on all peanuts such processor purchases. A processor is defined as any person, individual, corporation, partnership, trust, association, cooperative, and any and all other business units, devices and arrangements that clean, shell or crush peanuts.

Filing Procedure

To register for the Peanut Excise Tax, a Business Registration Application, Form R-1, must be filed with the Virginia Department of Taxation. Registration can be done online at www.tax.virginia.gov/iReg. The form can also be downloaded and mailed to P.O. Box 1114, Richmond, VA 23218-1114. No application fee is required. The Peanut Excise Tax return must be filed by the processor with the Virginia Department of Taxation on a semi-annual basis. The semi-annual periods for the returns run from January 1 through June 30, and July 1 through December 31. The returns for each period are due and the tax payable on July 10 and February 15, respectively.

Tax Rate

The tax rate is 15 cents per 100 pounds.

Penalties and Interest

If the tax is not paid when due, a penalty of 5 percent of the tax due will be added to the tax, and the Virginia Department of Taxation will notify the taxpayer of such delinquency. If the tax and penalty are not paid within 30 days of the notification, interest at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent, will be added on both the tax and penalty.

Disposition

The tax is credited to a special fund that is used to provide campaigns for education, publicity, sales promotion, and research on Virginia peanuts.

Register Online - New businesses can register online using iReg at www.tax.virginia.gov/iReg. Existing registered businesses can add a new tax account, modify existing tax accounts and more by logging into VATAX Online at www.tax.virginia.gov/business and selecting Business Profile Changes. You must be signed up for VATAX Online to be able to login.

Download Forms Online at www.tax.virginia.gov:

R-1 - Business Registration Form

PN-1 - Peanut Excise Tax Return (a return should be filed even if no tax is due)

For Assistance Contact:

Virginia Department of Taxation
P.O. Box 715
Richmond, VA 23218-0715
804-786-2450

For Forms:

Download at www.tax.virginia.gov
Fax: 804-236-2779
Telephone: 804-440-2541
Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317
Richmond, VA 23218-1317

Rolling Stock Tax on Railroads and Freight Car Companies**General Liability**

The state of Virginia levies an annual *ad valorem* tax on the rolling stock of railroads and freight car companies.

Filing Procedure

Each railroad and freight car company must file a return of its rolling stock on or before April 15.

Tax Rate

The tax rate is \$1 per \$100 of assessed value. Taxes are payable on or before June 1.

Penalties

Any taxpayer required to file a rolling stock return is subject to a fine of \$100 for each day that such return is late. A penalty of 10 percent of the tax due accrues if timely payment is not made.

Disposition

Revenues collected are distributed to counties, cities, and towns where railroads own property.

Download Forms Online at www.tax.virginia.gov:

- RR-5 - Class 5 (Locomotives, Passenger, Freight and Work Equipment owned as of December 31)
- RR5S - Class 5 –Summary
- RR2-1 - Statement of the Department of Taxation
- RR3-1 - Report to the Department of Taxation
- RR1S - Supplemental Information

For Forms and Assistance:

Download forms at: www.tax.virginia.gov
Virginia Department of Taxation
Railroad and Pipeline Appraisal Section
P.O. Box 565
Richmond, VA 23218-0565
804-367-8020

Sheep Assessment

General Liability

An assessment is levied on sheep and lambs sold in Virginia. The handler (defined as an operator of a stockyard, livestock dealership, slaughter house, packing plant, or livestock auction market or any person or business entity making a purchase from a producer at the point at which the sheep or lamb is sold or traded) is responsible for payment of tax on all sheep and lambs. The assessment must be deducted by the handlers from payments to owners of the sheep and lambs.

Filing Procedure

To register for the Sheep Assessment, handlers must file a Business Registration Application, Form R-1, with the Virginia Department of Taxation. Registration can be done on-line at www.tax.virginia.gov/iReg. The form can

also be downloaded and mailed to P.O. Box 1114, Richmond, VA 23218-1114. No application fee is required. The Sheep Assessment return must be filed and the tax paid by the handler to the Virginia Department of Taxation on or before the last day of the month following the end of each quarter. Quarters end March 31, June 30, September 30, and December 31.

Assessment Rate

The assessment is 50 cents per head.

Penalties and Interest

If the assessment is not paid when due, a penalty of 5 percent of the tax due will be added to the tax, and the Virginia Department of Taxation will notify the taxpayer of such delinquency. If such deficiency is not paid within 30 days of the notification, interest at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent, will be added to both the tax and penalty.

Disposition

The assessment is credited to a special fund administered by the Virginia Sheep Industry Board. The fund is used for market development, education, publicity, research, and for the promotion and economic development of the sheep industry in Virginia.

Register Online - New businesses can register online using iReg at www.tax.virginia.gov/iReg. Existing registered businesses can add a new tax account, modify existing tax accounts and more by logging into VATAX Online at www.tax.virginia.gov/business and selecting Business Profile Changes. You must be signed up for VATAX Online to be able to login.

Download Forms Online at www.tax.virginia.gov:

- R-1 - Business Registration Application
- SH-1 - Sheep Assessment (a return should be filed even if no tax is due)

For Assistance Contact:

Virginia Department of Taxation
P.O. Box 715
Richmond, VA 23218-0715
804-786-2450

For Forms:

Download: www.tax.virginia.gov
Fax: 804-236-2779
Telephone: 804-440-2541
Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317

Richmond, VA 23218-1317

Small Grains Assessment General Liability

The handler of small grains who purchases small grains (barley, oats, rye or wheat) produced in Virginia shall deduct from payments made to the farmer the amount of the assessment levied thereon and shall remit such assessment to the Virginia Department of Taxation along with a statement of the gross volume of Virginia produced small grains which has been handled. "Handler" means any person who purchases small grains from a farmer and includes a farmer who transports and sells his own grain out of state. "Handler" also means any person, public or private corporation, or any association or partnership buying, accepting for shipment, or otherwise acquiring property in small grains from a farmer, and shall include a mortgagee, pledgee, lienor, or other person, public or private, having a claim against the farmer, when the actual or constructive possession of such small grains are taken as part payment or in satisfaction of such mortgage, pledge, lien or claim.

Filing Procedure

To register for the Small Grains Assessment, handlers must file a Business Registration Application, Form R-1, with the Virginia Department of Taxation. Registration can be done on-line at www.tax.virginia.gov/iReg. The form can also be downloaded and mailed to, P.O. Box 1114, Richmond, VA 23218-1114. No application fee is required. A Small Grains Assessment form must be filed with the Virginia Department of Taxation along with payment for the amount collected from farmers in the previous quarter. Returns are due by the 15th day of the month following the end of the quarter. Quarters end March 31, June 30, September 30, and December 31.

Assessment Rate

The assessment rate is one-half of one percent (.005) of the net selling price per bushel.

Penalty and Interest

If the tax is not paid when due, a penalty of 5 percent of the tax due will be added to the tax, and the Virginia Department of Taxation will notify the taxpayer of such delinquency. If the tax and penalty are not paid within 30 days of the notification, interest at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent, will be added on both the tax and penalty.

Disposition

The assessment is credited to a special fund administered by the Virginia Small Grains Board. The fund is used to provide for programs of market development, education, publicity, research, and the promotion of the sale and use of small grains.

Register Online - New businesses can register online using iReg at www.tax.virginia.gov/iReg. Existing registered businesses can add a new tax account, modify existing tax accounts and more by logging into VATAX Online at www.tax.virginia.gov/business and selecting Business Profile Changes. You must be signed up for VATAX Online to be able to login.

Download Forms Online at www.tax.virginia.gov:

R-1 - Business Registration Application
SG-1 - Small Grains Assessment (a return should be filed even if no tax is due)

For Assistance Contact:

Virginia Department of Taxation
P.O. Box 715
Richmond, VA 23218-0715
804-786-2450

For Forms:

Download at www.tax.virginia.gov
Fax: 804-236-2779
Telephone: 804-440-2541
Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317
Richmond, VA 23218-1317

**Soft Drink Excise Tax
General Liability**

An excise tax is levied on every wholesaler or distributor of carbonated soft drinks in Virginia.

Filing Procedure

To register for the Soft Drink Excise Tax, wholesalers or distributors must file a Business Registration Application, Form R-1, with the Virginia Department of Taxation. Registration can be done online at www.tax.virginia.gov/iReg. The form can also be downloaded and mailed to, P.O. Box 1114, Richmond, VA 23218-1114. No application fee is required.

Effective July 1, 2002, the Soft Drink Excise tax increased to \$7,200 for gross receipts over \$10,000,000 through \$25,000,000 and two additional tax brackets were added for gross receipts over \$25,000,000. The new rates are effective for filing periods beginning on or after July 1, 2002.

The soft drink excise tax return must be filed with the Virginia Department of Taxation on or before the 15th day of the fourth month following the close of the taxpayer's taxable year. For calendar year taxpayers, other than corporations, the due date is May 1.

Penalties and Interest

Penalties are imposed for late filing and for failure to pay the full amount of tax when due. The penalty is 6 percent of the unpaid tax for each month or fraction thereof that the tax remains unpaid, not to exceed 30 percent. Additionally, corporations are subject to a minimum penalty for late filing of \$100, regardless of whether there is any tax due for the delinquent period.

Interest will be added to the tax at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent, from the due date through the date of payment plus 2 percent.

Disposition

Revenue is deposited to the state's Litter Control and Recycling Fund.

Tax Rates Schedule

Gross Receipts	Amount of Tax
\$100,000 or less	\$50.00
\$100,001 – \$250,000	\$100.00
\$250,000 – \$500,000	\$250.00
\$500,000 – \$1,000,000	\$750.00
\$1,000,001 – \$3,000,000	\$1,500.00
\$3,000,001- \$5,000,000	\$3,000.00
\$5,000,001 – \$10,000,000	\$4,500.00
\$10,000,001 –\$25,000,000	\$7,200.00
\$25,000,001 – \$50,000,000	\$18,000.00
\$50,000,001 and over	\$33,000.00

Register Online - New businesses can register online using iReg at www.tax.virginia.gov/iReg. Existing registered businesses can add a new tax account, modify existing tax accounts and more by logging into VATAX Online at www.tax.virginia.gov/business and selecting Business Profile Changes. You must be signed up for VATAX Online to be able to login.

Download Forms Online at www.tax.virginia.gov:

- R-1 - Business Registration Application
- 404 - Soft Drink Excise Tax Return (a return should be filed even if no tax is due)

For Assistance Contact:

Virginia Department of Taxation
P.O. Box 715
Richmond, VA 23218-0715
804-786-2450

For Forms:

Download at www.tax.virginia.gov
Fax: 804-236-2779
Telephone: 804-440-2541
Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317
Richmond, VA 23218-1317

Soybean Assessment General Liability

The first-buyer of soybeans (whoever pays the producer, country elevator, terminal, processor, seeds man, trucker, or extruder) is responsible for collecting a soybean assessment from the producer. First-buyers will be required to collect on all soybeans purchased (provisions are in place to identify soybeans checked-off at a previous sale point) regardless of the state of origin.

Filing Procedure

To register for the Soybean Assessment, buyers must file a Business Registration Application, Form R-1, with the Virginia Department of Taxation. Registration can be done on-line at www.tax.virginia.gov/iReg. The form can also be downloaded and mailed to P.O. Box 1114, Richmond, VA 23218-1114. No application fee is required. The Soybean Promotion, Research and Consumer (SPARC) Assessment Report (this is a federal form) must be filed by the first-buyer with the Virginia Department of Taxation on a quarterly basis. Returns are due by the last day of the month following the end of each quarter. Quarters end March 31, June 30, September 30 and December 31. The SPARC must be filed even if no tax is due.

Assessment Rate

The assessment rate is one-half of one percent (.005) of the net market value of assessed bushels.

Penalties and Interest

Late payment rate is 2 percent (.02) of total assessment, compounded monthly.

Disposition

The assessment is credited to a special fund to be used to provide additional research, education, publicity and advertising required to enhance the economical production and orderly marketing of soybeans which will in turn benefit the state as a whole.

Register Online - New businesses can register online using iReg at www.tax.virginia.gov/iReg. Existing registered businesses can add a new tax account, modify existing tax accounts and more by logging into VATAX Online at

www.tax.virginia.gov/business and selecting Business Profile Changes. You must be signed up for VATAX Online to be able to login.

For Assistance Contact:

Virginia Department of Taxation
P.O. Box 715
Richmond, VA 23218-0715
804-786-2450

For Forms:

<http://www.ams.usda.gov/lsg/mpb/soy/LS-46-1fill.pdf>

Fax: 804- 236-2779
Telephone: 804-440-2541
Virginia Department of Taxation
Forms Request Unit
P.O. Box 1317
Richmond, VA 23218-1317

Tire Recycling Fee

General Liability

The fee is levied for each new tire sold at retail in Virginia. The fee may be passed on to the retail customer if separately stated.

Filing Procedure

To register for the Tire Recycling Fee, retailers must file a Business Registration Application, Form R-1, with the Virginia Department of Taxation. Registration can be done on-line at www.tax.virginia.gov/iReg. The form can also be downloaded and mailed to P.O. Box 1114, Richmond, VA 23218-1114. No application fee is required. Every tire retailer must file the Tire Fee return quarterly. The return is due and the fee payable on or before the 20th of the month following the end of each quarter of the calendar year. Quarterly periods end March 31, June 30, September 30 and December 31.

Fee Rate

Prior to June 30, 2003 the fee is 50 cents per tire. Beginning July 1, 2003, through June 2008, the fee rate is \$1.00 per tire. Beginning July 1, 2008, the fee rate will decrease to 50 cents per tire. Retailers receive a discount of 5 percent for collecting the fee.

Penalties and Interest

Fees not paid when due incur a penalty of 6 percent per month up to 30 percent of the fee due. Interest at the underpayment rate established by Section 6621 of the Internal Revenue Code, plus 2 percent, will be added to the tax on late returns.

Disposition

Revenue from the Tire Recycling Fee is credited to the Waste Tire Trust Fund. The fund is used to develop and implement plans for the management and transportation of waste tires in Virginia. For the period July 1, 2003, through June 30, 2006, revenue from the increased Tire Recycling Fee will be used to remove illegal tire piles from certain property.

Register Online - New businesses can register online using iReg at www.tax.virginia.gov/iReg. Existing registered businesses can add a new tax account, modify existing tax accounts and more by logging into VATAX Online at www.tax.virginia.gov/business and selecting Business Profile Changes. You must be signed up for VATAX Online to be able to login.

Download Forms online at www.tax.virginia.gov

R-1 - Business Registration Application

T-1 - Virginia Tire Recycling Fee Return

For Assistance Contact:

Virginia Department of Taxation

P.O. Box 1115

Richmond, VA 23218-1115

804-367-8037

For Forms:

Download: www.tax.virginia.gov

Fax: 804-236-2779

Telephone: 804-440-2541

Virginia Department of Taxation

Forms Request Unit

P.O. Box 1317

Richmond, VA 23218-1317

Writ Taxes

General Liability

A tax is levied on:

1. Any original suit that is commenced in a court of record;
2. Every case of removal or appeal of a cause from a district court to a court of record;
3. Every appeal from the decision of the board of supervisors or other governing body of a county to a court of record;
4. Every attachment returnable to a court of record; or
5. Every writ of mandamus sued out of any court except the Supreme Court of Virginia.

Payment of Tax

The taxes on suits or other judicial proceedings are paid to the clerks of the courts in which suits are brought or proceedings had.

Tax Rates

The tax is \$5. When the debt or demand for damages exceeds \$50,000 but does not exceed \$100,000, the tax is \$15. When the debt or demand for damages exceeds \$100,000, the tax is \$25.

Disposition

Revenue is deposited to the state's general fund.

For Assistance Contact:

The clerk of the court in the appropriate jurisdiction.

Information is also available from:

Virginia Department of Taxation

P.O. Box 1115

Richmond, VA 23218-1115

804-367-8931

Fax: 804-236-2779

Telephone: 804-440-2541

Virginia Department of Taxation

Forms Request Unit

P.O. Box 1317

Richmond, VA 23218-1317

X. LOCAL TAXES

The state's cities, counties, and towns administer Virginia's local taxes. The tax rates differ from locality to locality. A brief outline of local taxes is provided below; however, for more detailed information about the local tax rates, assessments or fees in a specific area, contact the local Commissioner of the Revenue, Director of Finance, or Director of Tax Administration.

There are four major taxes that an individual may be subject to at the local level. These are real estate taxes, tangible personal property taxes, utility taxes, and sales and use taxes. In addition, some localities impose local excise taxes on cigarettes, admissions, room rentals, and meals. The major local taxes paid by manufacturers in Virginia are real estate and machinery and tools taxes. Any county, city or town may also levy license taxes on businesses, trades, professions, occupations and callings.

All tangible personal property, except property which is specifically exempted, is subject to tax. Examples of tangible personal property, which are taxed, are aircraft, mobile homes, campers, trailers, boats, and other watercraft. Beginning in 1998, the tax on the first \$20,000 of the value of a car, pick-up or panel truck (weighing 7,500 pounds or less) and motorcycle owned or leased for personal use was incrementally reduced. The personal property tax on cars, pick-up or panel trucks (weighing 7,500 pounds or less), and motorcycles was scheduled to be eliminated over five years with 12.5 percent of the tax eliminated in 1998, 27.5

percent in 1999, 47.5 percent eliminated in 2000, 70 percent eliminated in 2001, and 100 percent in 2002 and thereafter. However, as the Commonwealth's revenue growth was insufficient, the level of tax relief never exceeded 70 percent. Beginning with the 2006 tax year, the personal property tax relief program for motor vehicles was changed. Currently, the Commonwealth distributes \$950 million annually to localities as reimbursement for the personal property tax relief provided by each locality. Each locality's share of the \$950 million state reimbursement for tax year 2006 and subsequent tax years is based upon its share of the total state reimbursement for tax year 2005.

Virginia statutes provide that real property must be assessed at fair market value. The effective tax rate on real estate in 2005 ranged from \$3.30 per \$1,000 of fair market value to \$13.30 per \$1,000.

All localities impose a 1 percent sales and use tax on retail sales. This is in addition to the state's four percent rate. The one percent tax is collected from the consumer at the time of sale and is distributed back to the locality where the sale occurred.

Utility taxes are applied to an individual's monthly bill from public utilities such as the electric or gas company. Tax rates differ from locality to locality. Not all localities levy a utility tax.

XI. Other Major Taxes and Fees Administered by Other State Agencies For Tax or Fee Contact the Administering Agency Below

Alcoholic Beverage Taxes Department of Alcoholic Control Beverage and Licenses (including the Beer and Beverage Excise Tax)

P.O. Box 27491
Richmond, VA 23261
804-213-4577

Corporation Charter, Registration and State Corporation Commission Entrance Fees

License Taxes on Insurance Companies – 804-371-9741
Taxes on Public Service Corporations – 804-371-9679

Electric Utility Consumption Tax and Natural Gas Consumption Tax Virginia State Corporation Commission

Attn: Clerk's Office
1300 E. Main Street
P.O. Box 1197
Richmond, VA 23218
804-371-9733 or toll-free (in Virginia only) 1-866-722-2551

**Motor and Special Fuel
Licensing and Titling of Motor Vehicles
Motor Vehicles Sales and Use Tax
Motor Carriers or Motor Vehicle
Carriers – Taxes and Other Information** Toll-free 1-866-878-2582
Virginia Department of Motor Vehicles
P.O. Box 27412
Richmond, VA 23269
804-367-0538 (Customer Contact Center)

Virginia Unemployment Tax
Virginia Employment Commission
703 East Main Street
Richmond, Virginia 23219
804-786-3066 or 804-786-7159

Workers' Compensation
Worker's Compensation Commission
1000 DMV Drive
Richmond, Virginia 23220
804-367-8600

XII. DIRECTORY

The Virginia Department of Taxation has two administrative offices located in Richmond and one district field office to serve customers. The Norfolk District Office addresses primarily business taxes although individual tax forms are available at its location. Individual income tax assistance is also available from local Commissioners of the Revenue, Directors of Finance, and Directors of Tax Administration in Virginia cities and counties.

Virginia Department of Taxation

**Department of Taxation
Customer Services**
3600 Centre
3610 West Broad Street
Richmond, Virginia 23230
Individual phone: 804-367-8031
Individual FAX: 804-254-6113
Business phone: 804-367-8037
Business FAX: 804-254-6111

**Department of Taxation
Central Office**

P.O. Box 1115
Richmond, Virginia 23218-1115

**Department of Taxation - District Office
Norfolk District Office**

6340 Center Dr., Building #7 Suite 101
Telephone: 757-455-3810
FAX: 757-455-3811

General Mailing Address

Virginia Department of Taxation
P.O. Box 1880
Richmond, Virginia 23218-1880

Forms

Download from www.tax.virginia.gov
Virginia Department of Taxation Forms Request Unit
P.O. Box 1317
Richmond, Virginia 23218-1317
Telephone: 804-440-2541

Quick Reference Phone Directory

The Virginia Department of Taxation's Customer Services Section is divided into two main units: Individual Income Taxes and Business Taxes. To serve customers more efficiently, the Department has an automated phone system in these units. This "Tele-Tax" system permits callers with touch-tone telephones to choose a number of customer assistance options. From 8:30 a.m. to 4:30 p.m. customers can order forms, talk with a Customer Service representative, or listen to prerecorded information (which is also available 24 hours a day). By using the special refund hotline number, customers can get updates on their individual income tax refunds directly from the Department's computer system. The Tele-Tax phone numbers are listed to access prerecorded tax information, forms request line, and refund status updates. Listen carefully to the instructions and menu options given when you connect with one of these Tele-Tax numbers in order to get the most out of this phone system.

For Tax Information

Voice/T.D. (Telecommunication Device for the Deaf or Hearing Impaired)	804-367-8329
Automated Information (Tele-Tax) (8:00 a.m.-4:30 p.m.)	804-367-2486
Prerecorded Information Only (Tele-Tax 24 hours)	804-367-2426
Teleplan (automated payment plan system)	804-440-5100
Individual Income Tax	804-367-8031
Corporation Income Tax	804-367-8037
Employer Withholding Tax	804-367-8037
Motor Vehicle Repair Labor and Services Tax	804-367-8037
Sales & Use Tax	804-367-8037
Litter Tax	804-367-8037
Aircraft Sales and Use Tax	804-786-2450
Bank Franchise Tax	804-371-0730
Commodity and Excise Taxes	804-786-2450
Forest Products Tax	804-786-2450
Estate Tax & Probate Tax	804-367-8031
Recordation Tax	804-367-8020
Tobacco Stamps	804-367-8465
Tobacco Tax Assistance	804-371-0730