



TAX BULLETIN 19-8
Virginia Department of Taxation
October 30, 2019

**IMPORTANT INFORMATION REGARDING
VIRGINIA'S RETAIL SALES AND USE TAX**

**Reduced Retail Sales and Use Tax Rate on
Essential Personal Hygiene Products**

This bulletin is intended to notify taxpayers of a reduction in the Retail Sales and Use Tax rate on qualifying essential personal hygiene products effective January 1, 2020.

Generally

The reduced tax rate on essential personal hygiene products is authorized by House Bill 2540 and Senate Bill 1715 (2019 *Acts of Assembly*, Chapters 549 and 550). Effective January 1, 2020, the Retail Sales and Use Tax rate on qualifying items is reduced to 2.5% statewide.

"Essential personal hygiene products" means "nondurable incontinence products such as diapers, disposable undergarments, pads, and bed sheets; and menstrual cups and pads, panty liners, sanitary napkins, tampons, and other products used to absorb or contain menstrual flow."

"Incontinence" means the "inability of the body to control the evacuative functions of urination or defecation: partial or complete loss of bladder or bowel control." "Non-durable goods" means "products with a short life span due to a low service value or a one-time use characteristic."

Nondurable Incontinence Products

Nondurable incontinence products are eligible for the reduced rate.

Examples of "nondurable incontinence products" eligible for the reduced rate include but are not limited to:

- Disposable diapers (regardless of age of user)
- Disposable incontinence pads designed to be worn under garments

- Disposable incontinence undergarments
- Disposable bed sheets
- Disposable pads used to protect bed linens or mattresses
- Disposable incontinence products designed to be inserted into the body

Feminine Hygiene Products

Feminine hygiene products “used to absorb or contain menstrual flow” also qualify for the reduced rate. Qualifying products may be disposable or reusable. Examples of qualifying products include but are not limited to:

- Sanitary napkins
- Sanitary towels
- Tampons
- Menstrual sponges
- Menstrual cups
- Menstrual cloths and pads
- Panty liners
- Period panties

Non-Qualifying Items

The reduced tax rate does not apply to items which do not meet the categories listed above. Products that do not qualify include but are not limited to:

- Reusable cloth diapers (regardless of age of user)
- Reusable incontinence pads designed to be worn under garments
- Reusable incontinence undergarments
- Reusable bed sheets
- Reusable pads used to protect bed linens or mattresses

Tax Rate

Currently, the Retail Sales and Use Tax is imposed at a rate of 5.3% statewide, with an additional 1.0% tax in the Historic Triangle localities and an additional 0.7% tax in the Northern Virginia and Hampton Roads localities. Statewide, qualifying food purchased for human consumption is subject to the tax at a combined rate of 2.5%.

Beginning on January 1, 2020, the reduced rate on food purchased for human consumption is extended to essential personal hygiene products, resulting in a Retail Sales and Use Tax rate of 2.5% on qualifying items. Essential personal hygiene products will be subject to this rate

statewide, as qualifying items will be exempt from the additional 1.0% regional tax imposed in the Historic Triangle localities and the additional 0.7% regional tax imposed in the Northern Virginia and Hampton Roads localities.

Application of the Reduced Tax Rate

Below are examples of how the reduced tax rate would apply in different situations:

Example 1

A customer in the City of Virginia Beach purchases tampons and panty liners for \$15 total. The tax on the transaction would be \$0.38 ($\$15 \times 2.5\% = \0.38). The additional 0.7% tax in the Northern Virginia and Hampton Roads localities is not applicable to essential personal hygiene products.

Example 2

A customer in the City of Richmond purchases staple grocery food items and tampons at the same time. The total is \$25.00. The tax on the transaction would be \$0.63 ($\$25.00 \times 2.5\% = \0.63). Since the only items purchased were essential personal hygiene products and food for human consumption, the 2.5% tax rate is applied to the entire purchase.

Example 3

The same transaction as Example 2; however, the customer also purchases non-medicated shampoo for \$3.00. The tax on this transaction would be \$0.79 ($\$25.00 \times 2.5\% = \0.63) + ($\$3.00 \times 5.3\% = \0.16); ($\$0.16 + \$0.63 = \$0.79$). Since this transaction includes food for human consumption and essential personal hygiene items, those products would be taxed at the 2.5% rate. The shampoo is not included in a category of products eligible for the reduced rate, so the tax on that item would be 5.3%.

Example 4

The same transaction as Example 3, except that the customer purchases the items in Fairfax County. Because Fairfax County has an additional 0.7 percent regional sales tax, the tax on the entire purchase would be \$0.81 ($\$25.00 \times 2.5\% = \0.63) + ($\$3.00 \times 6\% = \0.18); ($\$0.63 + \$0.18 = \$0.81$)

Additional Information

If you need additional information, please visit <https://www.tax.virginia.gov>, or contact the Department at (804) 367-8037.