

# Locality Sales Tax Distribution Reports Tips



This Quick Reference Job Aid lists tips for the different reports the Virginia Department of Taxation (TAX) sends to localities, along with some general information applicable to all reports related to monthly distributions.

## REPORT TIPS

**REPORT NAME (NUMBER):** Monthly Distribution Report (004.D)

**PURPOSE:** Provides details on the 1% of sales tax that is distributed by TAX to the locality where the sale occurred.

### TIPS:

- Download the Excel version of the report so that it can be used to perform additional analysis.
  - Look for new businesses to ensure they have been properly reported to your locality.
  - Compare the report to the report issued for the same month during the previous calendar year in order to identify any fluctuations reported by businesses.
- Compare the local sales tax distribution to business license (BPOL) gross receipts. Be aware some classifications have significant sales tax exempt sales that have to be deducted when making the comparison.

**REPORT NAME (NUMBER):** Monthly Gross Receipt Listing Report (280.0)

**PURPOSE:** Displays local sales, use and vending machine tax gross receipts for Virginia localities.

### TIPS:

- Compare dealers listed on the report with business license data from your locality to verify accounts registered with TAX are properly licensed in the correct locality.
- For localities imposing a Food and Beverage tax:
  - Sort in descending order the gross sales amounts (*Column FD*) to minimize staff time.
  - Compare gross sales amounts with your local monthly meals tax submission.

**REPORT NAME (NUMBER):** Cumulative Gross Receipt Listing Report (148.0)

**PURPOSE:** Lists local sales, use and vending machine tax gross receipts for Virginia localities.

**TIPS:**

- Compare gross sales reported to TAX with reported business license gross receipts.
  - Remember some classifications have significant sales tax exempt sales that have to be deducted when making the comparison.
  - Consider deducting the "Personal Use" from "Total Taxable Sales" and comparing the results to the locally reported BPOL receipts.
  - Keep in mind the March or April report should approximate gross receipts reported locally for current BPOL tax purposes.
  - Cross reference the Federal Employer Identification Number/Social Security Number (FEIN/SSN) in the report with those in the Monthly Gross Receipt Listing Report (280.0) to minimize staff time.

**REPORT NAME (NUMBER):** ): Monthly New Dealer Report (243.0)

**PURPOSE:** Lists Sales Tax dealers that have opened, re-opened or closed a location during the month by locality.

**TIPS:**

- Verify new businesses listed on the report are actually located in the locality.
  - Sort the Excel version of the report by Zip Codes.
  - Locate Zip Codes not belonging to the locality to minimize the impact of paying more money for a distribution your locality should not receive.
- Verify new businesses registered in the locality are properly licensed.
- Review the beginning/ending liability dates (BLD/ELD) for business license purposes.
- Verify new businesses registered in surrounding localities are not actually located in your locality.
  - Sort the Excel version of the report by Zip Codes.
  - Locate those Zip Codes belonging to the locality.

**REPORT NAME (NUMBER):** Registration Tax Type Activity (061.1)

**PURPOSE:** Lists totals of registrations activities, like additions, modifications and deletions by tax type.

**TIPS:**

- Review any change a business in your locality has made, like a name or FEIN change.

**REPORT NAME (NUMBER):** Locality Transfer Detail Report (003.A)

**PURPOSE:** Provides information on revenue transferred between localities.

**TIPS:**

- Review transfers made to and from your locality to make sure corrections you are expecting were received, or money moved from the locality was accurate and adequately explained.
- Keep in mind transfers taking six-months to receive/repay can be monitored in IRMS under the **Locality Pending Transfer In Progress** drop-down.

**GENERAL INFORMATION**

- Negative figures can often be explained by an amended return or an audit, which can be viewed in the IRMS application.
  - Negative amounts usually leave a smaller amount of money in the tax account period than what was originally distributed.
  - If all money in a tax account period was moved, or money due to a locality was never received, contact TAX and have them research the case.
- Use Tax (Tax Account #12) and Consumer Use Tax accounts (Tax Account #14) are likely to fluctuate on reports. Sales Tax accounts (Tax Account #10) typically do not experience as much fluctuation.