

**** IMPORTANT NOTICE ****

Effective July 1, 2013

State Sales and Use Tax Rate Increase

Legislation enacted by the 2013 General Assembly (House Bill 2313) increases the state sales and use tax rate by 0.3% statewide. Retailers must update point-of-sale systems and collect sales tax using the new rates beginning July 1, 2013.

Additional Regional Sales and Use Tax Rate Increase

In addition to the increase in the statewide general sales and use tax rate, beginning July 1, 2013, there is an additional 0.7% state tax increase in localities within the Northern Virginia and Hampton Roads regions. These changes apply to general retail sales only and do not impact the rate charged for sales of food for home consumption. See below for details.

New Sales and Use Tax Rates

Retail Sales and Use Tax Rates

Effective July 1, 2013	State Tax	Local Tax	Total State & Local Tax
Virginia (Except Northern Virginia and Hampton Roads Regions) – General Sales and Use	4.3%	1%	5.3%
Northern Virginia Region – General Sales and Use	5%	1%	6%
Hampton Roads Region – General Sales and Use	5%	1%	6%
Qualifying Food Sales and Use (Unchanged)	1.5%	1%	2.5%

Vending Machine Sales Tax Rates

Effective July 1, 2013	State Tax	Local Tax	Total State & Local Tax
Virginia (Except Northern Virginia and Hampton Roads Regions) – Vending Machine General Sales and Use	5.3%	1%	6.3%
Northern Virginia Region – Vending Machine General Sales and Use	6%	1%	7%
Hampton Roads Region – Vending Machine General Sales and Use	6%	1%	7%

Northern Virginia and Hampton Roads Regions

Northern Virginia Region is defined as:

- Arlington County
- Fairfax County
- Loudoun County
- Prince William County
- Alexandria City
- Fairfax City
- Falls Church City
- Manassas City
- Manassas Park City

Hampton Roads Region is defined as:

- Gloucester County
- Isle of Wight County
- James City County
- Southampton County
- Surry County
- York County
- Chesapeake City
- Franklin City
- Hampton City
- Newport News City
- Norfolk City
- Poquoson City
- Portsmouth City
- Suffolk City
- Virginia Beach City
- Williamsburg City

Impact of Rate Change on Forms

Forms will be modified to reflect these changes beginning with the month of July 2013:

- Form ST-9 Retail Sales and Use Tax Return (Including Form ST-9CO)
- Form ST-8 Out-of-State Dealer’s Use Tax Return
- Form ST-7 Consumer’s Use Tax Return
- Form ST-6 Direct Payment Permit Sales and Use Tax Return
- Form PF-1 Public Facility Sales Tax Return
- Form VM-2 Vending Machine Dealer’s Sales Tax Return

Dealer Discount: As a result of the tax rate changes, the factors used for calculating the dealer discount for timely filing and payment will be adjusted on the revised forms.

Watch for More Information

www.tax.virginia.gov

Click on the “Sales Tax Changes” slide show tab for the latest details and updates, including guidelines, forms and instructions, frequently asked questions, and links to other helpful resources. Revised forms and guidelines for tax software developers will be available on the website in early May. If you have any questions, you can use **Live Chat**. Assistance is also available by phone at **(804) 367-8037**.

Stay in the loop – sign up for our free e-Alerts service at

www.tax.virginia.gov/ealerts

***** See Back Page for Other Important Updates and Reminders *****



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IMPORTANT SALES AND USE TAX CHANGES

IMPORTANT

PLEASE READ ENCLOSED

SALES AND USE TAX RATE CHANGE INFORMATION

Other Noteworthy Changes:

New Regional Transient Occupancy Tax – Northern Virginia

Effective July 1, 2013, an additional 2% transient occupancy tax will be imposed in localities in the Northern Virginia Region. This new state tax will be administered by the locality in which the room or space is located in the same manner as the current local transient occupancy tax.

Electronic Filing and Payment Requirement

Effective July 1, 2013, all Form ST-9 filers must file and pay electronically at www.tax.virginia.gov. Monthly filers have been subject to this requirement since July 1, 2012. Those filing on a quarterly basis will need to file electronically beginning with the July - September quarter, due in October 2013. Detailed information regarding this change will be communicated to impacted taxpayers in the coming months.

Nonprescription Drug Exemption Updates

Tax Bulletin 13-5, issued March 15, 2013, provides an updated overview of the exemptions related to nonprescription drugs and proprietary medicines. Tax Bulletin 13-5 supersedes Tax Bulletin 98-4. Visit www.tax.virginia.gov for details.

City of Bedford Changing to Town of Bedford

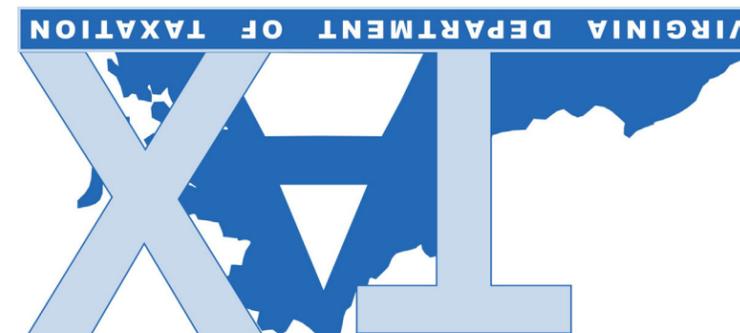
The City of Bedford will revert to an incorporated town, effective July 1, 2013. This means that local sales and use tax revenues formerly allocated to the City of Bedford under Locality Code 51515 will be allocated to the County of Bedford under Locality Code 51019, beginning July 2013.

Motor Vehicle Fuel Sales Tax Change in Administration

The administration of the Motor Vehicle Fuel Sales Tax will move to the Department of Motor Vehicles effective July 1, 2013.

READ IMMEDIATELY

Important Message Enclosed



BE SURE TO READ ENCLOSED NOTICE

