



TAX BULLETIN 13-8

Virginia Department of Taxation

June 13, 2013

IMPORTANT INFORMATION REGARDING THE UPCOMING RETAIL SALES AND USE TAX CHANGES

NEW 0.7 PERCENT ADDITIONAL RETAIL SALES AND USE TAX IN CERTAIN REGIONS WILL NOT BE IMPOSED IN COUNTIES OF GLOUCESTER AND SURRY

The Department of Taxation has received legal advice that the new 0.7 percent additional Retail Sales and Use Tax that will be imposed in the Northern Virginia and Hampton Roads Regions will not be imposed in the Counties of Gloucester and Surry.

Effective July 1, 2013, House Bill 2313 (*Acts of Assembly* 2013, Chapter 766), increases the rate of the Retail Sales and Use Tax by 0.3 percent on a statewide basis and imposes an additional Retail Sales and Use Tax of 0.7 percent in the Northern Virginia and Hampton Roads Regions.

The new law provides that the additional 0.7 percent tax applies in the Hampton Roads counties and cities located in Planning District 23. Although the Counties of Gloucester and Surry are members of the Planning District 23 Commission, they are not located in Planning District 23. Accordingly, the Counties of Gloucester and Surry will not be subject to the additional 0.7 percent state Retail Sales and Use Tax to be imposed in the region effective July 1, 2013.

The Retail Sales and Use Tax will be imposed in the Counties of Gloucester and Surry at the rate of 5.3 percent, effective July 1, 2013. The Retail Sales and Use Tax will be imposed in the Counties of Isle of Wight, James City, Southampton, and York and the Cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg at the rate of 6.0 percent, effective July 1, 2013.

The Department of Taxation is working to notify affected dealers, taxpayers, tax practitioners, and other interested parties of this change. The Department plans to email e-Alerts to all subscribers. The Department also plans to mail notification letters to in-state dealers located in the affected localities as well as to all out-of-state dealers. Additionally, the Department will update its website and the Guidelines it issued on May 1, 2013 for the increase. The revised Guidelines will be available on-line in the Law, Rules and Decisions section of the Department's website. Forms, instructions, frequently asked questions and other helpful information available on the Department's website will also be revised.

For additional information, please contact the Office of Customer Services at (804) 367-8037 or through the "Live Chat" service on the Department's website, www.tax.virginia.gov.