

**TOWN OF PURCELLVILLE
MEALS TAX RETURN**

THIS RETURN COVERS THE MONTH OF _____, 20 ____
FILE AND PAY BY THE 20TH OF THE FOLLOWING MONTH.

BUSINESS NAME:

BUSINESS ADDRESS:

MAILING ADDRESS:

Signature: _____ Date: _____
To the best of my knowledge, I declare that this return is correct and complete.

Instructions on reverse

1. Total Gross Sales		
2. Total Deductions		
3. Amount on which tax is calculated		
4. Meals Tax (5% of item #3)		
5. Less 5% of Tax (#4) Collection Fee		
6. Penalty for Late Filing & Payment		
7. Interest for Late Filing & Payment		
8. Total Tax, Penalty and Interest Due		

Final Return: _____ Date dissolved: _____
Return white and canary copies with payment.

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IMPORTANT

This return must be filed and paid by the 20th of the following month. This return must be filed even when no sales were made during the period.

If this is a final return, please check box on front and indicate the date your business was terminated or sold.

This form must be signed and returned with your payment.

Check is to be made payable to:

Town of Purcellville
221 S. Nursery Avenue
Purcellville, VA 20132

Refer all questions to the Finance Department at 540-338-7093.

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8. Total Tax, Penalty and Interest Due

Total receipts
Sales tax
Exempt Sales
Subtotal of Line 1 less Line 2
Multiply Line 3 by 5% (.05)
Multiply Line 4 by 5% (.05)
Only applicable if paid timely
Multiply Line 4 by 10% (.10) if payment is late
Multiply Line 4 by 1% (.01) for each month that payment is late starting thirty days from the due date
Add Line 4 less Line 5 plus Line 6 plus Line 7

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221 S. Nursery Ave • Purcellville, VA 20132
540-338-7093 • 540-338-6205 (Fax)

Business Information Update Form

Please return this form with any changes so we can update your business records.

Name of Business: _____

Location of Business: _____

Name of Owner: _____

Mailing Address of Owner: _____

Contact Name: _____

Contact Phone Number: _____

Contact E-mail address: _____



Guidelines for the Application of Meals (Food and Beverage) Tax

The Town of Purcellville levies a **five percent (5%) meals tax** on the purchase of food and beverage (effective July 1, 2012). These guidelines are designed to provide guidance to restaurants and other businesses where meals and beverages are sold to the public for immediate consumption **on or off premises**. Examples of places in which meals are sold include, but are not limited to: cafeterias, coffee shops, taverns, restaurants, dining accommodations, private and public clubs, convenience and grocery stores, caterers and delicatessens.

The policies and procedures for the collection of meals tax are dictated by Chapter 74, Article III, "Meals Tax" of the Town Code of Purcellville, Virginia. Please note that the five percent (5%) tax on meals and beverages is levied in addition to the Virginia State Sales Tax.

If you have any questions regarding these guidelines or the Town meals tax, please contact the Finance Department at 540-338-7093.

The Meals, or Food and Beverage, Tax was not intended to apply to groceries. But, it does recognize that some grocery stores and convenience stores include prepared food operations. The 1999 General Assembly modified State code sections 58.1-3833 and 58.1-3840 to prohibit imposition of a tax on some foods. These sections were further modified in the 2000 General Assembly (see the following underlined additions) to provide that the tax may not be imposed: "...Notwithstanding any other provision of this section upon alcoholic beverages sold in factory sealed containers and purchased for off-premises consumption or food purchased for human consumption as "food" is defined in the Food Stamp Act of 1977, 7 U.S.C. § 2012, as amended, and federal regulations adopted pursuant to that act, except, for the following items: sandwiches, salad bar items sold from a salad bar, prepackaged single-serving salads consisting primarily of an assortment of vegetables, and non-factory sealed beverages."

The 2000 amendment also eliminated from State Code Section 58.1-3833 (A.), the provisions which pertain specifically to counties that "...the food and beverage tax levied on meals sold by grocery store delicatessens and convenience stores shall be limited to prepared sandwiches and single meal platters".

"Food purchased for human consumption," means food for home consumption by humans, as defined under the Food Stamp Act of 1977, 7 U.S.C. § 2012. The definition includes most staple grocery food items and cold prepared foods packaged for home consumption. The tax is to be imposed on the purchaser of food and beverages served, sold, or delivered from a food establishment, whether prepared in such food establishment or not and whether consumed on the premises or not or furnished by a caterer.

Many food items prepared by a restaurant, cafeteria, fast food chain, delicatessen, and in many convenience stores would be subject to the food and beverage tax. Food sales by the other vendors are presumed to be taxable including the following: caterers, concession vendors, theme parks, sports arenas, stadiums, fair and carnival vendors, gift shops, hamburger and hot dog stands, honor snack vendors, ice cream stands and trucks, mobile food vendors, movie theaters and newsstands.

THE TAX APPLIES TO:

On-Premise:

- *All hot or cold foods and beverages inclusive of factory-sealed beverages, unless specifically exempt.*

Off-Premise:

- All sandwiches, hot or cold.
- All hot foods.
- All non-factory sealed beverages, fountain drinks, hot or cold coffee or chocolate, milkshakes, floats, Slurpees, Ices, or similar frozen ice drinks regardless of whether it has a lid.
- Ice cream or frozen yogurt in a cone, dish or single serving sized open container sold by an ice cream type store or food establishment.
- Frozen or chilled factory packaged, single serving sandwiches, burritos, and the like, marketed and sold in a food establishment that provides a heating device to render the item palatable.
- Salads, commonly referred to as Chef, Cobb, or other similar garden style salads, that are packaged or prepared in a manner similar to those provided in a restaurant or purchased in a grocery delicatessen or convenience store and packaged in containers affixed with lids or tops ready for immediate consumption.

THE TAX DOES NOT APPLY TO:

- A frozen TV dinner.
- Garden type salads in factory sealed packages that are considered to be for additional home preparation. These salads are usually sold in the produce section of grocery stores in factory sealed, stay-crisp style bags, and usually require additional preparation before consumption.
- Salads, such as potato, macaroni, chicken salad or coleslaw, sold by the pound or fraction thereof and not for immediate consumption on premises. These salads are commonly sold in the grocery delicatessens in containers with lids.
- Frozen seafood, sold by the pound in grocery stores that provide employee operated steam cooking at no additional charge and when the item is not to be consumed on premise.
- Ice cream or frozen yogurt in factory packaged or bulk packed containers sold at a store or by a street or ice cream truck vendor.
- Alcoholic and non-alcoholic beverages, in factory sealed containers, sold for off-premise consumption.

Tips are not taxable unless:

1. The seller keeps part or all of a tip.
2. The seller adds a specific amount or percentage to the gross price of the food and beverage requires the customer to pay this amount.

Example: Some restaurants advertise on their menus that a 15% gratuity is automatically added for parties of 8 or more. This percentage is **TAXABLE**.

Coupons

- a. Two for one meal / food purchases or coupons that offer a percentage or a certain dollar amount off a meal are taxed based on the amount actually paid by the customer.
- b. "Entertainer coupons" and store coupons do not possess a currency exchange value. Therefore, tax is based on the cash price actually paid by the customer.
- c. Manufacturer coupons do possess a redemption factor and the establishment is compensated for coupon acceptance. The meals tax is applied to the whole, standard, non-discounted price that would have been paid for the two items.

Examples of Food and Beverage Taxable/Nontaxable Items For Specific Businesses

Note: The burden shall be upon the seller of the food and beverage to maintain records detailing taxable receipts and nontaxable receipts.

Grocery Store/Supermarket/Convenience Store

The majority of items sold by a grocery or convenience store are not taxed. The tax applies to the sale of prepared food and beverage items from a delicatessen section operated within the grocery and convenience stores.

Taxable Items:

- All sandwiches (hot or cold), all hot foods, hot dogs, salad bar items sold from a salad bar, single serving salads, non-factory sealed beverages, fountain beverages, a cup of hot coffee or hot chocolate.
- Frozen or chilled factory packaged, single serving sandwiches, burritos, and the like, sold in an establishment that provides a heating device to render the item palatable, are meal taxable.

Nontaxable Items:

- Include but are not limited to factory sealed beverages such as beer and wine (for off-premise consumption), factory sealed soft drinks and bottled water.
- Meats and seafood, sold by the pound, that provide employee operated steam cooking at no additional charge, is a non-meal taxable item.
- Single and bulk servings of fruit.
- Cakes, doughnuts, brownies, rolls, muffins, loose or prepackaged cookies, pastries, chips and the like.
- Foods that are cooked and then chilled in accordance with health and food handling regulations, but packaged for home consumption.

Bakery

Taxable Items:

- Non-factory sealed beverages. All sandwiches (hot or cold).
- *Single-serving cake, pie, doughnuts and the like sold for on-premise consumption.*

Nontaxable Items:

- Factory sealed soft drinks and bottled water.
- Cakes, doughnuts, brownies, rolls, muffins, pastries, loose or prepackaged cookies, chips and the like, *sold for off-premise consumption.*
- Whole or half pies and cakes and non-food items.

Buffets

Taxable Items: All food and beverage items, all foods available for consumption sold at one price.

Nontaxable Items: Whole or half pies and cakes, non-food items, and factory-sealed beverages sold for a separate price.

Caterers

Taxable Items: All catering services furnished on the premises of another are taxable. **Note:** All charges for a catering service are taxable.

Delicatessen

Taxable Items: All sandwiches (hot or cold), salad bar items sold from a salad bar and soups.

Nontaxable Items: Sliced meats/cheese by the pound, salads (potato salad, macaroni salad) by the pound, party/gift baskets that include meats/cheese by the pound, party trays, crackers, prepackaged chips, cookies and the like.

Fast Food Chains/Restaurants

Taxable Items: All food and beverage items for on premise consumption, hot food items, sandwiches and salads packaged for off premise consumption, ice cream or frozen yogurt in a cone or container enabling immediate or off premise consumption.

Nontaxable Items: Non-food items, candy, gum, whole or half pies and cakes, prepackaged chips or cookies.

Take Out / Delivery Restaurants

Taxable Items: All hot food, sandwiches, salads packaged for off premise consumption and non-factory sealed beverage items. Cooked food types that are combined with other food products and sold as a warm or hot meal or "warm or hot home meal replacement" package.

Nontaxable Items: Foods that are cooked and then chilled in accordance with health and food handling regulations, but packaged for home consumption.

Ice Cream/Frozen Yogurt Shops

Taxable Items: Ice cream or frozen yogurt in a cone, dish or single serving sized open container. Milkshakes, floats, sandwiches, non-factory sealed beverages.

Nontaxable Items: Ice cream or similar frozen products in factory packaged or bulk packed containers, cakes; cookies, rolls, factory sealed beverages, nuts, syrup, and regular loaves of bread.

Movie Theaters/Theme Parks /Sporting Arenas

Taxable Items: All sandwiches, pizza, nachos, popcorn, beverages, cup of coffee, hot chocolate, ice cream, candy, gum.

Nontaxable Items: Non-food items.

NOTE: These guidelines were developed by the Virginia Municipal League, the Virginia Association of Counties and the Commissioners of Revenue Association of Virginia in conjunction with various food industry groups to provide guidance regarding what items are subject to the meals or food and beverage tax.