

VM-2 Package

Use for periods ending before July 1, 2013

This package contains the following:

- VM-2 Virginia Vending Machine Dealer's Sales Tax Return
- VM-2V Virginia Vending Machine Dealer's Sales Tax Voucher
- VM-2A Virginia Vending Machine Dealer's Sales Tax Worksheet
- VM-2B Schedule of Local Taxes

After you have completed the return (and sign it), the voucher (see instructions to determine if needed) and the schedule, mail them with your payment to:

**Virginia Department of Taxation
Vending Machine Dealer's Sales Tax
P.O. Box 26627
Richmond, VA 23261-6627**

The return must be filed, even if no tax is due.

DO NOT send the Worksheet (VM-2A) - maintain it as part of your records.

Form VM-2 Virginia Vending Machine Dealer's Sales Tax Return



Do NOT staple.

For assistance, call (804)367-8037.

Mail completed forms (the return, the voucher (if needed), Form VM-2B and payment) to:

Virginia Department of Taxation
 Vending Machine Dealer's Sales Tax
 P.O. Box 26627
 Richmond, VA 23261-6627

Required: Send the signed return, even if no tax is due.

Account Number _____

Period _____

Name _____

Due Date _____

A. Item	B. State	C. Local
1. Cost of Tangible Personal Property	1.	
2d. Total Deductions	2d.	
3. Taxable Amount	3.	
4. Tax State - General Sales and Use Tax Rate (Column B) • For periods beginning on or after September 1, 2004, the rate of 5% (.05) . • For periods ending on or prior to August 31, 2004, the rate or 4.5% (.045) . Local - General Sales and Use Tax Rate (Column C) All Filers - 1% (.01)	4.	
5b. Dealer's Discount	5b.	0.00
6. Net State Tax (Line 4 less Line 5b)	6.	
7. Penalty for Late Filing and Payment	7.	
8. Interest for Late Filing and Payment	8.	
9. Total Tax, Penalty and Interest (Add Lines 6, 7 and 8)	9.	
10. Total Amount Due (Add Line 9, Column B and Line 9, Column C) Also, enter this amount below on the voucher.	10.	

Declaration and Signature

I declare that this return (including accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is true, correct and complete.

Signature _____ Date _____ Phone Number _____

Payment Method:

- Electronic Funds Transfer**
- Check Enclosed** (If paying by check, enter the total amount due from Line 10 on the Voucher, Form VM-2V, and enclose the voucher and your check with your return.)

Check if Out-of-Business and enter the termination/sold date _____

Form VM-2V Virginia Vending Machine Dealer's Sales Tax Voucher (Doc ID 232)

Period _____ Due Date _____

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Account Number _____

Name _____

Address _____

City, State, ZIP _____

Preparation Voucher (VM-2V)

- If paying by check, enter the total amount due from Line 10 on the Voucher, Form VM-2V, and enclose this voucher and your check with your return.
- If you are paying by EFT or the amount of tax due is equal to zero, detach this voucher at the dotted line. Do NOT send voucher to Tax.

Total Amount Due (Line 10 of above return.)

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Form VM-2A Virginia Vending Machine Dealer's Sales Tax Return Worksheet

- Return and payment due on 20th of month following end of period.
- Read instructions on reverse side before preparing this worksheet.
- Transfer lines indicated by the arrows to the corresponding line number on Form VM-2, **Virginia Vending Machine Dealer's Sales Tax Return**.

Dealer's Name _____

Acct. Number _____ Filing Period _____

A. Item	B. State	C. Local															
1. Cost of Tangible Personal Property - Enter the cost price and/or manufactured cost of tangible personal property sold through vending machines. [Enter on Form VM-2, Line 1] 1.			m														
2 Allowable Deductions:																	
a. Cost price and/or manufactured cost of tangible personal property sold through vending machines during this period and returned by purchaser during this period, if included in Line 1. (See instructions) 2a.																	
b. Cost price and/or manufactured cost of tangible personal property sold through vending machines and returned during this period on which tax was paid in a prior period. (See instructions) 2b.																	
c. Other Deductions 2c.																	
d. Total Deductions - Add Lines 2a, 2b and 2c [Enter on Form VM-2, Line 2d] 2d.			m														
3. Taxable Amount - Line 1 less Line 2d [Enter on Form VM-2, Line 3] 3.			m														
4. Tax Enter in Col B the State Tax computed by multiplying the amount from Line 3 by: • For periods beginning on or after September 1, 2004, the rate of 5% (.05) . • For periods ending on or prior to August 31, 2004, the rate or 4.5% (.045) . Enter in Col. C the Local Tax computed by multiplying Line 3 by 1% (.01) . [Enter on Form VM-2, Line 4] 4.			m														
5a. Dealer's Discount - Dealer's discount is allowable only when your return and payment are made on time. See instructions. For more information, please see Tax Bulletin 10-5 at www.policylibrary.tax.virginia.gov . Enter the discount factor on Line 5a.																	
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;">Total Monthly Taxable Sales From All Locations</th> <th rowspan="2" style="text-align: center;">Dealer's Discount Factor</th> </tr> <tr> <th style="text-align: center;">Is At Least</th> <th style="text-align: center;">But Less Than</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0</td> <td style="text-align: center;">\$62,501</td> <td style="text-align: center;">.0128</td> </tr> <tr> <td style="text-align: center;">\$62,501</td> <td style="text-align: center;">\$208,001</td> <td style="text-align: center;">.0096</td> </tr> <tr> <td style="text-align: center;">\$208,001</td> <td style="text-align: center;">And Up</td> <td style="text-align: center;">.0064</td> </tr> </tbody> </table>	Total Monthly Taxable Sales From All Locations		Dealer's Discount Factor	Is At Least	But Less Than	\$0	\$62,501	.0128	\$62,501	\$208,001	.0096	\$208,001	And Up	.0064			
Total Monthly Taxable Sales From All Locations		Dealer's Discount Factor															
Is At Least	But Less Than																
\$0	\$62,501	.0128															
\$62,501	\$208,001	.0096															
\$208,001	And Up	.0064															
5b. Dealer's Discount - Multiply Line 4, Column B by Line 5a [Enter on Form VM-2, Line 5] 5b.		0 00	m														
6. Net State Tax - Line 4 less Line 5 [Enter on Form VM-2, Line 6] 6.			m														
7. Penalty for Late Filing [Enter on Form VM-2, Line 7] 7.			m														
8. Interest for Late Filing [Enter on Form VM-2, Line 8] 8.			m														
9. Total Tax, Penalty and Interest - Add Lines 6, 7 and 8 [Enter on Form VM-2, Line 9] 9.			m														
10. Total Amount Due - Add Line 9, Column B and Line 9, Column C [Enter on Form VM-2, Line 10] 10.			m														

Worksheet is for your records only. Do NOT mail.

Virginia Vending Machine Dealer's Sales Tax Return and Worksheet Instructions

What's New: Effective beginning with the June, 2010 return due July 20, 2010, legislation enacted in the 2010 Session of the General Assembly, House Bill 29 and House Bill 30, makes changes to the dealer discounts allowed to some dealers for collecting and remitting certain taxes.

General: These forms should be used to compute and report the sales tax on tangible personal property sold through vending machines for the locality shown on the Vending Machine Dealer's Sales Tax Return, Form VM-2. Form VM-2B is used to allocate the 1% local tax and must be filed with Form VM-2. This worksheet, Form VM-2A, should be kept with your tax records. Do not report on these forms non-vending machine sales or use tax on non-taxed purchases. Non-vending machine sales (such as wholesale sales, over-the-counter sales, etc.) must be reported separately on the Retail Sales and Use Tax Return, Form ST-9 along with use tax for the locality shown on the return. Use tax accrued in a locality for which you do not hold a sales tax registration must be reported on a Consumer's Use Tax Return, Form ST-7.

Filing Procedure: Mail Form VM-2 with your payment to: **Department of Taxation; P.O. Box 26627; Richmond, Virginia 23261-6627** or deliver to your local commissioner of the revenue or treasurer, as soon as possible after the close of the reporting period but not later than the 20th day of the following month. **A return must be filed for each reporting period even if no tax is due.**

Payments returned by the bank will be subject to a returned payment fee in addition to any other penalties that may be incurred.

Change of Ownership: If there has been a change of ownership, do not use the return with the name and account number of the former owner. Send the return with notice of change to the **Virginia Department of Taxation, P.O. Box 1114, Richmond, Virginia 23218-1114**. You can register a new dealer and/or locations, by either completing a Form R-1, Business Registration Application, or electronically using iReg on the Department's website, www.tax.virginia.gov.

Change of Address/Out-of-Business: If you change your business mailing address or discontinue your business, either send a completed Form R-3, Registration Change Request, or a letter to the **Virginia Department of Taxation, P.O. Box 1114, Richmond, Virginia 23218-1114**.

Questions: For assistance, call (804) 367-8037 or write the **Department of Taxation; P.O. Box 1115; Richmond, VA 23218-1115**. Tenemos servicios disponibles en Español.

Forms and instructions are available for download from our website, www.tax.virginia.gov, or by calling (804) 440-2541.

Explanation of "Cost Price" and "Cost of Manufactured Tangible Personal Property"

If you acquire items for sale through vending machines and resell without further manufacturing or processing, you must compute the tax using the cost price. If you manufacture or process the items sold through vending machines, you must compute the tax using the manufactured/processed cost.

Manufactured/processed cost includes raw material cost plus labor and overhead attributable to the manufacture of the items being sold. The method of accounting used for federal income tax purposes is used to determine manufactured cost. For example, if first-in, first-out is used for federal income tax purposes, this accounting method is used each month in computing cost price and manufactured cost of goods. Proper records must be maintained each month to substantiate cost price and cost of goods manufactured.

Preparation of Form VM-2A

- Instructions for lines not mentioned below are on the worksheet.
- Transfer the items indicated by the arrows on the worksheet to the corresponding line numbers on Form VM-2.
- Retain this worksheet as a part of your tax records. **Do not file worksheet with Form VM-2.**
- If you are allowed to file a consolidated return, attach the "Schedule of Local Vending Machine Sales Tax," Form VM-2B, to the dealer's return.

Line 1 Enter on Line 1, Columns B and C, the total cost price and/or manufactured cost of tangible personal property sold through vending machines during this period.

Line 2 Deductions:

- a. Enter on Line 2a, Columns B and C, the cost price and/or manufactured cost of tangible personal property sold through vending machines and returned by purchasers, if included in Line 1.
- b. Enter on Line 2b, Columns B and C, the cost price and/or

manufactured cost of tangible personal property sold through vending machines and returned during the period on which the tax was paid in a prior period.

- c. Enter on Line 2c, Columns B and C, any other deduction allowed by the Virginia Sales and Use Tax Act.
- d. Enter on Line 2d, Columns B and C, the sum of Lines 2a, 2b and 2c.

Line 3 Enter the amount on which the tax is computed (Line 1 less Line 2d).

Line 4 Enter on Line 4, Column B, the state tax computed on the amount on Line 3. Enter on Line 4, Column C, the local tax computed on the amount on Line 3.

Line 5a Dealer's discount factor is based on total monthly cost of goods sold from all locations. You cannot take the dealer's discount unless you file the return and pay the tax by the due date. No dealer's discount is allowed on local tax. Figure your dealer's discount as follows:

- If you file only one return (including a consolidated return), find your cost of goods sold on Line 3, Col. B. Use this number to determine your discount factor from the table on Line 5a, Col. A.
- If you file more than one return, add the total monthly cost of goods sold from all locations. Use this number to determine your discount factor from the table on Line 5a, Column A.
- If you file quarterly, add the total quarterly cost of goods sold from all locations. Divide by three to find average monthly cost of goods sold. Use this number to determine your discount factor from the table on Line 5a, Column A.

Quarterly Filers - For the period of July 1, 2004, through September 30, 2004:

Multiply your tax for July 2004 and August 2004 by the applicable dealer's discount factor for the period ending on or before 8/31/04; and

Multiply your tax for September 30, 2004, by the applicable dealer's discount factor for the periods beginning on or after 9/1/04.

Add the amounts and enter the total in Column B.

- Enter your dealer's discount factor on Line 5a, Column B.

Line 5b Enter on Line 5b, Column B, the dealer's discount by multiplying the amount of state tax on Line 4, Column B, by the applicable discount factor determined by Line 5a.

Line 6 Enter the amount of tax due (Line 4 less Line 5b).

Line 7 Enter on Line 7, Columns B and C, penalty for late filing, if applicable. Penalty is computed on the tax in Line 4 at the rate of 6% per month, or fraction thereof that the tax is not paid, not to exceed 30%. However, in no case shall the penalty be less than \$7.50 in Column B and \$2.50 in Column C. The minimum penalty applies whether or not any tax is due for the period.

Line 8 Enter on Line 8, Columns B and C, interest for late filing, if applicable. Interest is calculated on the amount in Line 4, at the rate established in Section 6621 of the Internal Revenue Code of 1954, as amended plus 2%.

Preparation of Form VM-2

Transfer the items indicated by the arrows on the worksheet to the corresponding line numbers on Form VM-2.

Declaration and Signature: Be sure to sign, date and enter your phone number in the space indicated on the return.

Preparation of Form VM-2V

If paying by check, enter the amount from Line 10 on the Voucher, Form VM-2V, and enclose this voucher and your check with your return. If you are paying by EFT or the amount of tax due is equal to zero, detach this voucher at the dotted line. Do NOT send voucher to Tax.