

# Virginia sales tax guide

## Standard rate

The standard sales tax rate in Virginia ranges for 2024 from 4.3% to 7%.

## Reduced rate

Certain items like Food & Personal Hygiene Items are taxed at a reduced rate of 2.5% statewide.

## Sales of tax-free products and services

There are currently no specific items or services listed as tax-free in Virginia.

## Who is obliged to register sales tax in Virginia

When you sell in Virginia, you meet the definition of a “dealer,” and have “sufficient activity” in Virginia, you need to be registered to collect and pay sales tax in Virginia.

## Threshold

Starting from July 1, 2019, out-of-state dealers with sufficient physical or economic presence for establishing nexus in Virginia must register to collect sales tax. This includes online sellers or remote sellers that have \$100,000 in annual Virginia gross sales or 200 or even more transactions to Virginia customers.

[Merchant thresholds by state](#)

[Marketplace thresholds by state](#)

The special rules are applicable to the SAAS business.

[Software as Service Tax Thresholds by state.](#)

## Online Marketplaces

If all your sales in Virginia come from the marketplace reseller platform, in this case, you can't register for paying sales tax in Virginia. Your marketplace promoter pays the sales tax itself;

If you sell through your own website, then you need to be registered for paying sales tax if you meet the \$100,000 or 200 transactions threshold for remote sellers.

## Registration procedure

You can be registered online on the Virginia Tax website or by mail.

You have to:

- Apply for registration for sales tax online as an out-of-state dealer;
- Fill in the Business Registration Form (Form R-1).

Information provided by the company:

- Federal Employer Identification Number (FEIN);
- Business online services primary user's account information;
- Business information: Legal business name; primary business address and mailing address (for important tax documents and letters, if different than primary address); for incorporated businesses, date, and state of incorporation;
- Entity type;
- Your North American Industry Classification System (NAICS) code;
- Primary contact information: Name, email address, and phone number;

Responsible party's information: Name, Social Security number, home mailing address, email address, and phone number.

When you finish your registration process, you'll get a 15-digit sales tax account number and your Sales Tax Certificate (Form ST-4). You need to save both documents.

## Sales tax payment and filing date

Depending on your tax liability, determine your filing frequency – either monthly or quarterly:

Quarterly – \$0 to \$100.00;

Monthly – \$100.01 and up.

Sales tax returns are always due on the 20th day of the month following the reporting period. If the filing due date falls on a weekend or holiday, sales tax is due the next day. Quarterly filing periods end on the last days of March, June, September, and December.

## Penalty and interest

If you have not filed or paid the full amount of sales tax by the due date, a penalty of 6% per month is added to the tax owed. The maximum penalty is 30%. The minimum penalty is \$10. The minimum penalty applies to late returns even if there is no tax owed. Interest is added at the federal underpayment rate – plus 2% – and accrues on the tax until paid.

## Exemption

The sales-for-resale exemption prevents tax from being charged multiple times on the same item. The sales tax should be applied to the final retail sale to the consumer. The exemption prevents the tax from being applied to goods as they are distributed before being sold at retail.

To take advantage of this exception, you must obtain an exemption certificate. When making a deal without charging sales tax, the online seller is obliged to obtain an exemption certificate from the consumer.