



## Meals Tax Form Instructions

- A fillable meals tax pdf form is available on the Town website <http://www.purcellvilleva.com/598/Other-Taxes>
- Forms may also be picked up at the town office located at:  
221 S. Nursery Avenue
- Contact 540-338-7093 with any questions.

### Per Purcellville Code Chapter 74, Article III, Meals Tax

- ❖ File and Pay by the 20<sup>th</sup> day of the calendar month following the month being reported.
  - Example: March sales are reported and tax is paid by April 20<sup>th</sup>
- 1. Gross Receipts: report amount of all food & beverage sales for the month as applicable (refer to the Guidelines for the Application of Meals (Food and Beverage) Tax
- 2. Allowable Deductions (no meals tax collected):
  - a. Record total employee meals costs for reportable month when no charge is made to the employee
  - b. Record total federal, state or local government meals sold for reportable month
  - c. Other – please record total meals sold and explain reason for exemption
    - i. Food sold from vending machine or during a Purcellville farm/community market
- 3. N/A (Automatically calculates sum of 2a,2b,2c)
- 4. N/A (Automatically calculates line 1 minus line 3)
- 5. N/A (Automatically calculates 5% tax)
- 6. Collection Discount: 5% discount on amount of tax due to compensate seller for collection of the tax  
**IMPORTANT: Only allowable if return filed AND tax paid before the due date**
  - a. Multiply line 5 (tax calculated) by 5% (.05) and record discount allowed
- 7. **Amount Due IF PAID ON TIME** (Automatically calculates)
- 8. Penalty for Late Payment
  - a. Multiply line 5 (tax calculated) by 10% (.10) and record penalty
- 9. Interest  
**IMPORTANT: Only apply interest if payment is 30 days past original due date of reportable month**
  - a. Multiply line 5 (tax calculated) by 10% annum (.008333 per months late) and record interest
- 10. **Amount Due including penalty & interest IF PAYMENT LATE** (Automatically calculates)
- 11. Print Name of Preparer
- 12. Phone #
- 13. Sign & Date Return

Make check payable to the "TOWN OF PURCELLVILLE."

Please return this report with payment to:

TOWN OF PURCELLVILLE  
FINANCE DEPT  
221 S NURSERY AVE.  
PURCELLVILLE VA 20132

**Please make a copy for your records and return the original with payment.**



# MEALS TAX RETURN

File and Pay by the 20th of the calendar month following the month being reported.

REPORT YEAR:

REPORT MONTH:

TRADE NAME: \_\_\_\_\_

PHYSICAL ADDRESS OF BUSINESS: \_\_\_\_\_

MAIL ADDRESS 1: \_\_\_\_\_

MAIL ADDRESS 2: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

1. GROSS RECEIPTS FROM SALES OF MEALS SUBJECT TO THIS TAX  (LINE 1)

2. ALLOWABLE DEDUCTIONS

A. MEALS TO EMPLOYEES WHEN NO CHARGE IS MADE .....	\$
B. MEALS PAID FOR BY FEDERAL, STATE OR LOCAL GOVERNMENTS .....	\$
C. OTHER (PLEASE EXPLAIN) .....	\$

3. TOTAL DEDUCTIONS (SUM OF 2A, 2B, 2C) .....  (LINE 3)

4. NET GROSS RECEIPTS (LINE 1 (-) MINUS LINE 3) .....  (LINE 4)

5. TAX (LINE 4 (X) MULTIPLIED BY 5%) .....  (LINE 5)

6. COLLECTION DISCOUNT (LINE 5 (X) MULTIPLIED BY 5%) .....  (LINE 6)

**NOTE: DISCOUNT ALLOWED ONLY IF RETURN IS FILED AND TAX PAID ON OR BEFORE DUE DATE**

7. TOTAL TAX DUE (LINE 5 (-) MINUS LINE 6) ..... ON TIME TOTAL DUE.....  (LINE 7)

8. PENALTY FOR LATE PAYMENT (LINE 5 (X) MULTIPLIED BY 10%).....  (LINE 8)

9. INTEREST(10% Per ANNUM—LINE 5 (x)Multiplied by .008333 for each month payment is late starting 30 days from due date) .....  (LINE 9)

10. TOTAL TAX & PENALTY & INTEREST (SUM OF LINES 7, 8, & 9) .....LATE TOTAL DUE.....  (LINE 10)

**NOTE:** Late Payments assessed 10% Penalty & Lose Collection Discount. Please file and pay on or before the 20<sup>th</sup> day of the month following the last day of the calendar month for which the return is due.

**BY SIGNING THIS RETURN, I HEREBY DECLARE THAT THIS RETURN HAS BEEN EXAMINED BY ME AND TO THE BEST OF MY KNOWLEDGE AND BELIEF IS A TRUE, CORRECT AND COMPLETE RETURN.**

Contact/Preparer Name (print): \_\_\_\_\_ Phone #: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

Make check payable to the "TOWN OF PURCELLVILLE." Please return this report with payment to:

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FINANCE DEPT  
221 S NURSERY AVE.  
PURCELLVILLE VA 20132

**Please make a copy for your records and return this copy with payment.**



## 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. The guidelines below help outline some distinctions for taxable items but does not cover the full list of exempt items.
  - Sellers should reference the town code for all applicable exemptions from meals tax collection. (ex: food stamp/WIC purchases; vending machines, bulk food sales, day care/schools food sold to students and employees, etc.)
- Please note that the five percent (5%) tax on meals and beverages is levied **in addition** to the Virginia State Sales Tax.
- If you cease to operate or otherwise dispose of your business the tax collected shall become immediately reportable, due and payable.
- Meals tax collected by the seller is deemed to be held in trust by the seller until remitted to the town and failure to file a return or pay may face criminal charges.

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

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### **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.

## 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.

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## 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.