Task Force #2
HJR 60 (2002)

Sales and Use Tax Issue

6. Use tax modifications; efficiency in collecting the tax.

The use tax is levied upon the use or consumption of tangible personal property in Virginia. A transaction subject to the sales tax is not subject to the use tax. The primary purpose of the use tax is to prevent Virginia retailers who must collect the sales tax from being placed at a competitive disadvantage with out-of-state retailers.

Because of practical and legal factors, use tax is not ordinarily collected by out-of-state sellers. Accordingly, individual income taxpayers are supposed to declare use tax liability when they file their income tax returns with the Tax Department.

Attached is a document prepared by the Tax Department explaining the administration of the use tax in Virginia.