



## **ACCELERATED SALES TAX PAYMENTS**

*By*  
*Virginia Retail Merchants Association*

Budget Language passed in the 2002 session of the General Assembly required dealers who reported taxable sales of \$1.3 million or more for the twelve-month period ending June 30, 2001 to make an accelerated tax payment. Approximately 6,800 dealers reported sales in this range last year.

The new requirement calls for those dealers to make an accelerated payment of their June 2002 tax, in an amount equal to 90% of the tax liability they reported for June 2001. The payment was due on June 25, 2002 for dealers paying by mail and June 30 for dealers who pay electronically. All dealers then filed their June returns on the normal due date, July 22, 2002, and reconciled the accelerated payment with the actual June liability. Accelerated payments not made by the required date were subject to a 6% penalty.

The same language is found in the 2002 – 2004 Budget, therefore dealers have to make similar accelerated payments in June 2003 and June 2004. Similar provisions are expected to be authorized in future General Assembly sessions for each June due to the hole created in the next year's budget. There is no formal phase out in place for this provision only legislative intent to hopefully phase this out beginning in 2006 and to be completed by June 2012.

The acceleration of the sale tax payments generated approximately 118 Million dollars for Fiscal Year 02.

*Any questions please contact Laurie Peterson at VRMA 804-649-0789.*