



COMMONWEALTH of VIRGINIA

Department of Taxation
Richmond, Virginia 23282

MEMORANDUM

TO: Ronald L. Holt, Supervisor
Technical Services Section
Office Services Division

DATE: March 27, 1989

SUBJECT: Implementation of SB 741 (Dealer's Discount)

This responds to your memorandum of March 16, 1989 seeking confirmation that SB 741 applies to the vending machine sales tax and the motor vehicle fuel sales tax, and to returns covering periods beginning on and after July 1, 1989.

Va. Code § 58.1-614 requires all dealers who makes sales through vending machines to obtain certificates of registration under § 58.1-613. Since dealers holding such certificates are allowed a dealer's discount under Va. Code § 58.1-622, I agree that the sliding scale discount provided under SB 741 applies to the vending machine sales tax.

Further, Va. Code § 58.1-1720(B) provides, with limited exceptions, that the motor vehicle fuel sales tax "shall be subject to the provisions of the Virginia Retail Sales and Use Tax Act." Therefore, I agree that the sliding scale discount provided under SB 741 applies to the motor vehicle fuel sales tax.

In addition, I agree that the sliding scale discount which becomes effective July 1, 1989, will effect returns filed for periods beginning on and after July 1, 1989. Thus, the flat discount currently in effect will apply to the June, 1989 returns even though such returns will not be filed until July 20, 1989.

Let me know if we can be of further assistance.

A handwritten signature in cursive script, appearing to read "Janie".

Janie E. Bowen
Tax Policy Division