

Virginia Department of Taxation

Implementation of Electronic Filing of Retail Sales and Use Tax

Craig M. Burns
Tax Commissioner

Retail Sales and Use Tax eFile Program

- Item 273 of HB 1301 (*Acts of Assembly 2012 Special Session I, Chapter 3*) requires the Department to collect sales tax returns and payments electronically
 - Monthly filers (74,700 dealers) effective with return due August 20, 2012
 - Quarterly filers (43,100 dealers) effective with returns due October 20, 2013
- Waiver from the provisions of requirement can be requested
- Does not affect the dealer discount

Annual Taxable Sales	Total Monthly Dealers	Monthly Filer
		% efile
Less than \$10,000	16,709	54%
\$10,000 < \$100,000	18,430	40%
\$100,000 < \$1,000,000	30,623	46%
\$1,000,000 < \$10,000,000	8,187	59%
\$10 Million or More	758	91%
Total	74,707	48%

Retail Sales and Use Tax eFile Program

- Submitted in Fall 2011 as part of the Department's 2, 4, and 6% reduction plan for the 2012-14 biennium
 - Reflects objective of lowering program delivery costs
- Biennial savings of \$180,000 GF adopted by General Assembly in HB 1301
 - Elimination of printing/ mailing payment coupons
 - Reduction in costs related to processing paper returns/checks
- A number of factors led to budget proposal to propose savings from sales tax eFile initiative
 - New agency website November 2011
 - New eForm for electronic filing of sales taxes spring 2012
 - Many dealers familiar with eFile from participation in semi-weekly withholding program
 - eFile program for other major taxes adopted in previous budget reduction packages since 2010

Selected eFile-Related Initiatives Since 2010

Initiative	Description
W-2's	<ul style="list-style-type: none"> Employers file electronically: <ul style="list-style-type: none"> More than 150 employees (effective January 2010) More than 50 employees (effective January 2011)
Employer Withholding	<ul style="list-style-type: none"> Semi-weekly filers file electronically (effective July 1, 2011)
Individual Income Tax	<ul style="list-style-type: none"> Tax preparers who prepare 50 or more returns must file electronically (effective January 2012)
Individual Income Tax	<ul style="list-style-type: none"> Eliminate mailing of individual income tax forms and instructions to taxpayers – provide upon request (effective January 2012) Reduce mailing individual income tax forms and instructions to local offices (effective January 2012)
Sales and Use Tax	<ul style="list-style-type: none"> Consolidated filers file electronically (effective July 20, 2010 return) Monthly filers file/pay electronically (effective August 20, 2012 return) Quarterly filers file/pay electronically (effective October 20, 2013 return)
Corporate Income Tax	<ul style="list-style-type: none"> Estimated payments paid electronically (effective January 2013) Corporate returns filed electronically (return due April 15, 2013)

Sales Tax e-File Implementation Based on 2011 Withholding e-File Initiative

Activity	Semi -Weekly Withholding eFile (7/2011)	Monthly Sales Tax eFile (7/2012)
Businesses/Dealers Impacted (includes those filing electronically)	44,000	74,700
Notified of eFile Initiative by Mail	Yes	Yes
Waiver Option Provided	Yes	Yes
Waiver Request Form in Mailer	No	Yes
Eliminate Printing/Mailing Coupon Books	Yes	Yes
Free Electronic Filing Channels on Department's Website	Yes	Yes
Paper Returns Available on Department's Website/Request	Yes	Yes
Penalties for Filing Paper Returns	No	No



Free Electronic Filing Channels Are Available

- Three (3) free online filing options are available through the Department's new website
 - Each offers different levels of functionality/options

Electronic Filing Channel	Features
Business iFile	<ul style="list-style-type: none">• Stores information for reuse each month• Performs all calculations• Schedule payment to occur on a date specified• View up to 14 months of filing history• Full service online account maintenance
Web Upload	<ul style="list-style-type: none">• Easily submit returns for multiple clients• Accepts a variety of file types• Schedule file upload on date specified
eForms	<ul style="list-style-type: none">• Newest and easiest option for filing and paying electronically• Option for all taxpayers regardless of size/sales• Electronic form looks like paper return• Performs some calculations• Can easily be completed and filed within 5 minutes• No Login ID required to prepare or submit electronically

Sales and Use Tax eForm Return

Form ST9

Form ST-9
Virginia Retail Sales and Use Tax Return

For assistance: [See Instructions](#) or [Contact Us](#)

Frequency **For Period**

Monthly Quarterly
 --- 2012

Note: Fields in bold are required

Business Name

Mailing Address

City **State** **ZIP**

 Virginia

Check if this is an amended return

Status: NOT FILED

1. Gross Sales		<input style="width: 90%;" type="text"/>
2. Personal Use		<input style="width: 90%;" type="text"/>
3. Exempt Sales and Other Deductions		<input style="width: 90%;" type="text"/>
4. Total Taxable State Sales and Use		<input style="width: 90%; background-color: #cccccc;" type="text"/>
5. State Qualifying Food	(b) Taxable Amount	(c) Tax
	<input style="width: 90%;" type="text"/>	<input style="width: 90%; background-color: #cccccc;" type="text"/>
6. State General		<input style="width: 90%; background-color: #cccccc;" type="text"/>
7. Local (1%)		<input style="width: 90%;" type="text"/>
8. Total State Tax		<input style="width: 90%; background-color: #cccccc;" type="text"/>
9. Dealer's Discount		<input style="width: 90%;" type="text"/>
10. Net State Tax Due		<input style="width: 90%; background-color: #cccccc;" type="text"/>
11. Prepaid Wireless Fee	(a) Number of Items Sold	(b) Fee (Net of Discount)
	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>
12. Total State and Local and Prepaid Wireless Fee Due		<input style="width: 90%; background-color: #cccccc;" type="text"/>
13. Penalty		<input style="width: 90%;" type="text"/>
14. Interest		<input style="width: 90%;" type="text"/>
15. Total Amount Due		<input style="width: 90%; background-color: #cccccc;" type="text"/>



Sales and Use Tax Payment eForm

Payment Details

Please enter your payment details below. Click **Continue** to review your payment details. Click **Cancel** to return to the form screen.

If your bank requires authorization for the Department of Taxation to debit a payment from your checking account, you must provide them with this Debit Filter number: 1546001745.

Bank Account Number:

Re-Enter Bank Account Number:

Routing Number:

Amount Due: \$10,000.00

Payment Amount:

Jane Doe
1234 Main St, Apt 101
Lenexa, KS 66215

DATE: _____

1001

PAY TO THE ORDER OF _____ \$ _____

YOUR BANK
Address of Your Bank
Lenexa, KS 66215

FOR _____

⑆ 23456789⑆ ⑆ 234567⑆ 1001

⑆ 23456789⑆ ⑆ 234567⑆ ⑆ 1001⑆

Bank Routing Number Bank Account Number ~~Check #~~

Conclusion

- Dealers will be provided paper returns in response to a waiver request
- Returns are also available on the agency website
- Cadre of filing season customer service center wage staff retained to assist with:
 - Additional calls to customer contact center
 - Additional Live Chat inquiries
 - Processing waiver requests
- Producing video that overviews the three free electronic filing options available through the Department's website