

# Collecting and Filing Motor Vehicle Fuels Sales Tax in the Northern Virginia Transportation District

*Courtesy of the Northern Virginia Transportation Commission*

- If you sell retail motor vehicle fuels in Northern Virginia then you must register, collect, and pay a 2% motor fuel sales tax and file a monthly form.
- If you sell or supply motor vehicle fuel for resale in Northern Virginia then you must register and file a monthly form.

**The Motor Vehicle Fuel Sales Tax is unique to the Northern Virginia region, and is in addition to other required fuel taxes.**

**Read on to find out how to register, collect, and pay this tax.**

## **This newsletter is designed to keep you informed.**

This newsletter provides a basic description of your responsibilities as a seller of motor vehicle fuel within the Northern Virginia Transportation District to collect and file a motor vehicle fuel sales tax levied at the rate of two percent of the sales price (including all other taxes). It will also provide basic sources of information and access to forms to make your responsibilities easier. More details about the motor vehicle fuel sales tax regulations may be found on-line (see "Resources" on page 4 of this publication). Please note that several different taxes are levied on the motor fuel you sell and on your business by various levels of government. **It is important for you to be aware of the proper forms and procedures for each of those taxes.**

## **Who must file?**

Within the Northern Virginia Transportation District, all retail dealers and suppliers of motor vehicle fuel in the cities of Alexandria, Fairfax, Falls Church and the counties of Arlington, Fairfax and Loudoun **must collect and file Motor Vehicle Fuel Sales Tax.**

A **dealer** includes, but is not limited to, every person or firm that sells or sold motor vehicle fuel at resale or retail within the transportation district or

delivered to points within the transportation district, and those who withdraw motor vehicle fuel from a resale or retail inventory, located within the transportation district for use or consumption.

A dealer also includes a representative, agent, or solicitor of an out of state principal who solicits, receives and accepts orders from persons in this state for delivery of motor vehicle fuel within the transportation district and whose principal refuses to register as a dealer.

**Motor Vehicle Fuel** is defined as all products, commonly or commercially known, advertised, offered for sale, sold or used as gasoline, including casing-head or natural gasoline, and all other types of additives when mixed or blended into gasoline, regardless of their classification of uses; and all combustible gases and liquid, used or suitable for use in any internal combustion engine or motor for the generation of power to propel motor vehicles on public highways, except aviation fuel or any type of fuel used in an aircraft, rocket or similar device.

Every person or firm, regardless of their business location both in and out of state, who sells motor vehicle fuel to others located in the transportation district for resale, is required to file a monthly information form.

### **How do I get started?**

If you are a dealer, you must register with the Department of Taxation by filing registration form R-1. Form R-1 is Virginia's Department of Taxation Business Registration Application. This form must be filed when:

- registering a new business;
- re-opening a closed account;
- changing business ownership; or
- operating under a different account name.

Upon approval of the Form R-1, the Department of Taxation will issue to the dealer an official non-transferable Certificate of Registration valid only for the specific place of business noted in the application. A separate application must be filed for each place of business. The certificate **must always be displayed in general public view** at the appropriate place of business.

**Termination of the business:** Upon termination, the certificate will immediately expire. The dealer is **required** to notify the Department of Taxation in writing within 30 days and return the Certificate of Registration.

**Relocation of the business:** The owner **must** inform the department in writing and return the original certificate. A revised certificate for the new location will be issued.

**Changes in ownership or corporate structure:** In most situations a **new** Certificate of Registration must be obtained by filing form R-1.

*You may register in person at the Department of Taxation's Fairfax district office (see Resources below).*

*If you prefer, you may register by mail according to the instructions included with the form R-1, or on the Web. Choose whichever method is easiest for you, but **please register only once**.*

*A Motor Vehicle Fuel Sales Tax number will be issued to you immediately if you register in person; otherwise, you will be issued a number by mail in approximately three weeks. To get form R-1, contact:*

The Department of Taxation Form Request Unit  
PO Box 1317  
Richmond, VA 23218-1317  
Telephone 888/ 268-2829 or  
on the Web at: [www.tax.state.va.us](http://www.tax.state.va.us)

### **What forms do I need to file?**

**For most filers, only two forms are required each month.**

- **Form FT-101: Dealer's Work Sheet for Computing Vehicle Fuel Sales Tax Only.** This worksheet will aid the taxpayer in computing the motor vehicle fuel sales tax. This form is not submitted to the Department of Taxation.
- **Form FT-102: Virginia Motor Vehicle Fuel Sales Tax Return.** This form is filed with the Department of Taxation, reporting the taxable sales and the motor vehicle fuels sales tax for the applicable reporting period. The appropriate payment must be included with this tax form.

**Some filers may be required to file one or both of the following forms**

- **Form FT-102A: Schedule of Motor Vehicle Fuel Sales Tax.** This form is used to allocate the tax to the correct localities.
- **Form FT-102B: Schedule of Retailer Purchases for Resale.** This is a monthly form used to report information about retailers to whom you have made sales or delivery.

The appropriate reporting forms will automatically be sent to you three weeks after registering with the Department. If you have not received the forms, or need replacements, contact the Forms Request Unit listed above.

**When are the forms due and where should I send them?**

**Form FT-102: Every dealer is required to file a form on or before the 20th day of the month following each reporting period, even if no tax is due.**

Timely returns must have a U.S. Postal Service date stamped on or before the 20<sup>th</sup> day of the month. All posted returns filed after the 20<sup>th</sup> are considered delinquent. **Payment must accompany the return.**

**Dealer's compensation or discount** - As described on the form, a percentage of the tax due may be deducted if the return, together with full remittance (less proper discount), is filed on or before the due date. The discount provides compensation to the dealer for costs incurred in accounting for and paying the tax.

**Penalties and Interest** - Penalties are computed at a rate of 6% of the total tax due for each month, or fraction of a month, that the return is late. The maximum penalty is 30%, and in no case shall the penalty be less than \$10. Interest on late payments is computed from the due date of the return, until the date paid, at the rate established by the Secretary of the U.S. Treasury plus 2%. *Send form FT-102 along with **full payment** by check or money order to the:*

VA Department of Taxation  
P.O. Box 1103  
Richmond, VA 23218-1103

If required, also send Forms FT-102A and 102B to this address.

**Records and their preservation.**

**Every dealer is required to keep and preserve, for three years, adequate and complete records necessary to determine the amount of motor vehicle fuel tax liability.** Records must be available for inspection by the Department of Taxation during reasonable business hours.

These records must include:

- A daily record, in dollars and gallons, of all cash and credit motor vehicle fuel sales.
- A record of the amount of all fuel purchased, including bills of lading, invoices, purchase orders or other evidence to substantiate each purchase.
- A record of all deductions claimed in filing tax returns, including exemptions, re-sales, and bad debts.
- A true and complete inventory of the stock on hand, and its value, taken at least annually.

### **How are the taxes used?**

The tax dollars you collect aid in the improvements to the public transit systems in this area, including Metrorail and Metrobus.

Funds received are provided to the Northern Virginia Transportation Commission, which in turn, holds the funds in trust for each of its six member cities and counties, based upon where the funds are collected.

Five of the member jurisdictions may use the funds only for the operating and capital expenses of the Washington Metropolitan Area Transit Authority (WMATA).

Loudoun County may use the funds for any transportation expenses.

### **Important information and resources...**

#### **Virginia Department of Taxation**

Motor Vehicle Fuels Tax Field Representative:

Petra L. Silcox, 703-366-3146,

psilcox@tax.state.va.us

Central Office, Office of Customer Service,

2220 Broad St.,

PO Box 1115,

Richmond, VA 23218,

Telephone (804) 367-8037

#### **Local Business Tax /License Departments**

City of Alexandria, Business Tax Branch, (703) 838-4680

Arlington County, Commissioner of Revenue, (703) 228-3060

City of Fairfax, Commissioner of the Revenue, (703) 385-7885  
Fairfax County, Department of Tax Administration, (703) 222-8234  
City of Falls Church, Commissioner of the Revenue, (703) 248-5019  
Loudoun County, Commissioner of the Revenue, (703) 777-0260

**On-line Resources**

To review frequently asked questions and tips on avoiding common filing errors, visit NVTC's website at: **[www.thinkoutsidethecar.org](http://www.thinkoutsidethecar.org)** and click on the **Gas Tax** area.

For the official Department of Taxation Motor Vehicle Fuel Sales Tax Administrative Regulations, go to: **[www.tax.state.va.us/bt\\_codes.htm](http://www.tax.state.va.us/bt_codes.htm)** and see the **Virginia Tax Administrative Code (Regulations), Chapter 240**.

***This newsletter is designed to provide an overview of the Motor Vehicle Fuel Sales Tax and how to file, for information purposes only. It is not intended to be a final authoritative source of information. For complete and authoritative information on your tax obligation, please consult the Tax Code of Virginia, the Administrative Regulations of the Department of Taxation, and the appropriate forms and instructions.***

Visit NVTC's web site at: [www.thinkoutsidethecar.org](http://www.thinkoutsidethecar.org)

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