

### ▶ WHAT TYPE OF ESTABLISHMENTS ARE NOT REQUIRED TO COLLECT MEALS TAX?

The following establishments are generally not required to collect meals tax when meals are sold at or included in the cost of accommodations: nontransient boardinghouses, child care facilities, nursing homes and public or nonprofit institutes of learning.

Meals sold to the public by nonprofit organizations including churches, fraternal, civic and social organizations, may be exempt from meals taxes if the following stipulations apply:

- Meals sold at occasional dinners or special events, of up to three (3) days duration per event, if the nonprofit organization has three (3) or fewer such events a year and the food or meals sold by the nonprofit organization to the public is prepared by the members of the nonprofit organization.
- Food sold through vending machines is exempt as well.

Refer to Arlington County Code § 65-3 for additional information.

### ▶ ARE THERE RECORD KEEPING REQUIREMENTS PERTAINING TO MEALS TAXES?

Per Arlington County Code, business owners are required to keep and preserve complete records of taxable sales and claimed exempt sales paid for the current calendar year and three previous years.

### ▶ MY ESTABLISHMENT PLANS TO SELL ALCOHOL, WHAT DO I NEED TO DO?

The Virginia Department of Alcohol Beverage Control (ABC) Board issues licenses for the manufacture of liquor, the wholesale of beer and wine, the retail of beer and wine, and the retail of spirits by drinks. Remember to also register for the appropriate business license with our office that corresponds to your ABC privileges. Please refer to the Department of Alcoholic Beverage Control for additional information at [www.abc.virginia.gov/](http://www.abc.virginia.gov/).

### ▶ WHAT ARE THE REQUIREMENTS TO REPORT SALES TO THE STATE?

You must file a Virginia Sales and Use Tax Return, form ST-9, monthly with the Virginia Department of Taxation to report gross sales. Please use the Arlington County locality "FIPS" Code **51013** to file Sales and Use tax for your Arlington gross receipts. Refer to the Virginia Department of Taxation website for guidelines and information at <https://www.tax.virginia.gov/businesses>.

Please note that severe penalties, including criminal penalties, apply to sellers who fail to register, collect, or remit the tax in a timely manner.

## Contact Information

### For Assessment Information:

#### Office of the Commissioner of Revenue

Business Tax Division: (703) 228-3060

Fax: (703) 228-7048

Website: <https://taxes.arlingtonva.us/business/custodial-taxes/>

E-mail: [business@arlingtonva.us](mailto:business@arlingtonva.us)

### For Payment Information:

#### Office of the Treasurer

Phone: (703) 228-4000

Website: [www.arlingtonva.us/treas](http://www.arlingtonva.us/treas)

E-mail: [treasurer@arlingtonva.us](mailto:treasurer@arlingtonva.us)

## Meals, Food & Beverage Tax Questions & Answers

# Meals, Food & Beverage Tax

## Questions & Answers:

## A Guide to Arlington County Meals Tax Requirements



## INGRID H. MORROY COMMISSIONER OF REVENUE

2100 CLARENDON BOULEVARD, 2<sup>ND</sup> FLOOR  
ARLINGTON, VIRGINIA 22201

## Meals, Food & Beverage Tax Guidelines

### ▶ WHAT IS THE MEALS, FOOD & BEVERAGE TAX?

The Meals, Food & Beverage Tax, commonly referred to as meals tax, is a 4% tax on the sale of prepared meals and beverages collected from consumers by businesses and held in trust until remitted to Arlington County. Meals tax is charged in addition to the 6% Retail Sales Tax levied by the state.

### ▶ WHAT IS SUBJECT TO ARLINGTON COUNTY MEALS TAX?

All “meals” sold by a restaurant or caterer, whether prepared in such restaurant or not and whether consumed on the premises or not. This includes prepared sandwiches and single-meal platters sold at the delicatessen counters of grocery and convenience stores.

■ “Meals” refers to all food or beverages or both including alcoholic beverages and snack foods sold for consumption.

■ “Meals” does not include grocery items nor alcoholic beverages sold in factory-sealed containers for off-premises consumption. “Meals” does not include single serving beverages sold without food.

For additional details, refer to Arlington County Code § Chapter 65 or contact our office for the Meals Tax Flyer for your establishment type.

### ▶ WHO IS REQUIRED TO FILE MEALS TAX?

Businesses required to file meals tax include, but are not limited to: restaurants, caterers, lunchrooms, cafeterias, coffee shops, taverns, delicatessens, grocery stores, convenience stores, public or private clubs, snack shops, ice cream shops, movie theaters, food vendors and food trucks.

### ▶ HOW DO I REGISTER FOR MEALS TAX?

Complete a meals tax registration form that can be obtained from our office or online when registering through the Customer Assessment and Payment Portal (CAPP) at <https://capp.arlingtonva.us/>.

### ▶ WHEN DO I BEGIN COLLECTING MEALS TAX?

The tax should be collected immediately upon opening the business.

### ▶ WHEN IS THE MEALS TAX DUE?

File and pay monthly by the 20th to report gross receipts for the preceding month.

### ▶ HOW CAN I FILE?

Submit the monthly meals tax coupon to our office or mail to PO Box 1757, Merrifield, VA 22116-1757. Alternatively, you can file online through the Customer Assessment and Payment Portal (CAPP) at <https://capp.arlingtonva.us>.

### ▶ WHAT IS THE PENALTY FOR FAILURE TO FILE BY THE 20<sup>TH</sup> OF EACH MONTH?

The late filing penalty is 10% of the tax determined to be due. In addition, the Commissioner of Revenue shall statutorily assess a tax for the month(s) of non-compliance.

### ▶ MEALS, FOOD & BEVERAGE TAX EXEMPTIONS

Government purchases may be exempt from meals tax if the meals are billed directly to the governmental organization and paid directly from the organization’s funds. Purchases with a “government” card billed to the holder, who is reimbursed by the governmental agency **are not** exempt. In the case of the federal government, exempt cards are generally called “smart pay” cards. Please refer to the US General Services Administration website detailing GSA Smart-Pay Purchase Card transactions: <https://smartpay.gsa.gov/>.

Before exempting a sale from meals tax, follow these guidelines:

■ Verify the government’s tax exemption status and form of payment at point of sale.

■ Keep a record of all meals tax exempt transactions, including invoices and receipts showing the date of sale, sale amount, and proof of direct payment with government funds.

■ Verify qualifying Government Services Administration (GSA) SmartPay Purchase Charge Cards and retain payment information, specifically the prefixes (first four digits) verifying that a government entity is directly liable for the payment.

### ▶ DOES THE “SALES AND USE TAX CERTIFICATE OF EXEMPTION” (ST-10) ISSUED BY THE VIRGINIA DEPARTMENT OF TAXATION EXEMPT CUSTOMERS FROM MEALS TAX?

This certificate is solely for the exemption of retail sales tax and not meals taxes. Meals sold to nonprofit organizations and colleges are generally *not* exempt from meals tax.

### ▶ WHO IS RESPONSIBLE FOR THE MEALS TAX WITH THIRD PARTY DELIVERY SERVICES (I.E. GRUBHUB, UBEREATS, ETC.)?

The restaurant or establishment that prepares the food is responsible for collecting and remitting the meals tax based on the total sales price charged to the customer, not a discounted amount (if any) actually paid by the delivery service to the restaurant.

Meals tax should not be applied to any service charges, delivery charges (must be separately stated on invoice or receipt) or mandatory gratuity as long as they do not exceed 20% of the total sales price.

Meals tax should be collected on all meals sold from an Arlington County restaurant, even if the delivery address is not in the County.

### ▶ CAN I CLAIM A CREDIT FOR SALES TAX PAID ON MEALS TO OTHER JURISDICTIONS OUTSIDE OF ARLINGTON COUNTY; IF SO, HOW SHOULD I REPORT THIS?

There is a tax credit that can be applied for anyone subject to meals taxation outside of Virginia. The credit is for taxes paid in another state or the District of Columbia that is imposed on the sale, delivery or service of meals to the extent the foreign jurisdiction’s tax exceeds the Virginia 6% sales tax. Follow these guidelines to claim this credit:

■ Complete the “Arlington County Meals Tax Deductions and Credits” form on a monthly basis. This form can be obtained by contacting the Commissioner of Revenue’s Office.

■ Provide proof of tax payment to a foreign tax jurisdiction which includes a copy of the sales tax or other tax return filed with the foreign tax jurisdiction along with a copy of the cancelled check or stamped receipt from the jurisdiction.