

Meals Tax FAQs

What is the total amount of tax that restaurants in Henrico should charge?

- Restaurants in Henrico should charge two separate taxes, Henrico's Meals Tax and Virginia Sales and Use Tax. Henrico's Meals Tax is 4%. Virginia's Sales and Use Tax is 6%. The total tax would be 10%.

When are filings and payments due?

- Meals Tax filing and payment are due the 20th day of each month following the month of collection.
 - o Example: Taxes collected in January are due (postmarked or delivered to the county) on or before February 20th.

What if the 20th of the month is on a weekend or a holiday?

- If the due date falls on a weekend or a holiday, the filing and payment will be due the next business day. That means the filing and payment should be postmarked on the next business day, to be considered on time.

When should beverages NOT be taxed?

- Beverages should not be taxed when sold by themselves. See the next FAQ for other items that should not be taxed unless purchased with a meal.

What are other non-taxable items?

- As mentioned above, beverages sold by themselves should not be taxed. There are several additional items that, when sold by themselves, should not be subject to Henrico's Meals Tax, these include: desserts, smoothies, and snacks (typically small prepacked food items, chips, nuts, pretzels, etc.).

What is Seller's Commission and how do I calculate it?

- Seller's Commission is a portion of the tax collected that is kept by the seller to offset the cost of administering the tax. You earn seller's commission when you file and pay on time.
- To calculate, determine the amount of tax you owe, then multiply the amount of tax by 3% (.03).
- Example: if the amount of tax owed is \$100, then multiply \$100 by 3% (.03) which equals \$3. You would file and pay \$97 of tax and keep \$3 seller's commission and report it on line 5.

Iran out of blank returns, how do I get more?

- We recommend that you scan and save a copy of your blank return on a computer. However, if you need more blank returns feel free to call or email one of the individuals listed below. If you choose to use the basic blank return from the website, please include your 6 digit account number (most begin with either a 1 or a 5). The website address for a blank return is <https://henrico.us/pdfs/finance/pdfs/ReturnForm.pdf>

I file and pay on time, why do I keep receiving bills?

- We consider a filing and payment on time based on the postmark date on the envelope. The most common reason for receiving a bill is that the postmark date is past the due date. If the postmark is past the due date, you no longer earn seller's commission, and on the bill you will owe the seller's commission plus late filing penalty, late payment penalty, and interest.
- **Tip:** drop off the filing and payment at an actual post office on or before the due date.

I filed and paid, why did I receive a non-filer letter and how do I resolve the issue?

- If you filed and paid, let us know how you filed and paid (mail, drop off at government center, walk-in at government center) and whether the check has been cashed. We will find your filing and payment and resolve the issue as quickly as possible.

Are there any alternative ways to pay besides mailing?

- Yes, you can file and pay in person at either of Henrico's Government Centers (Western location – 4301 E Parham Rd; or Eastern location – 3820 Nine Mile Rd). Also, you can drop off the filing and payment in the dropbox at either of Henrico's Government Centers.

I forgot about filing and payment and it will be late, how do I calculate late penalties and interest?

1. First thing to remember, if you are filing and/or paying late, you do not earn the Seller's Commission. Do not deduct the 3% on line 5 of the return.
 2. To calculate the **Late Filing Penalty**, first calculate the amount of tax owed, then multiply the tax amount by 10% (.10) which equals the **Late Filing Penalty**.
 - o Example: tax amount of \$100 X 10% (.10) equals \$10.
 3. To calculate the **Late Payment Penalty**, first add the Late filing Penalty (if applicable) to the tax amount. Then, multiply this new amount by 10% (.10) which equals the **Late Payment Penalty**.
 - o Example: tax amount of \$100 plus \$10 Late Filing Penalty equals \$110, then multiply \$110 by 10% (.10) equals \$11 **Late Payment Penalty**.
 4. To calculate **Interest** (10% annual interest rate), add the tax amount, Late Filing Penalty (if applicable), and Late Payment Penalty. Then, determine the number of days past due date and multiply the number of days past the due date by .0274% (.000274), which is the daily interest rate for a 10% annual interest rate. Finally, multiply the total of the tax amount, Late Filing Penalty, and Late Payment Penalty by total of the number of days past the due date by .0274% (.000274).
 - o Example, tax amount of \$100, plus Late Filing Penalty of \$10, and Late Payment Penalty of \$11 equals \$121. You were late on your November filing and payment; it was due on December 20th. You filed and paid on January 10th; you were 20 days late. Multiply 20 days late by .0274% (.000274) which equals .00548. Then, multiply \$121 by .00548 that equals \$.66 of **Interest**.
- **TIP:** If you need help calculating late penalties and interest you are more than welcome to stop by at either of Henrico's Government Centers or contact any of the individuals listed

below. If you incorrectly calculate the filing penalty, payment penalty, or interest we will either send you a bill or refund for the difference.

Why did I receive a refund?

- **Refunds do not happen very often. However, if you receive one, it is normally from not deducting the Seller's Commission when you should have. Math errors are also another common reason for receiving a refund.**

If you have questions please contact our business section:

(804) 501-4310

Or call (804) 501-5733 how@henrico.us.