

PRINCE WILLIAM COUNTY

FOOD AND BEVERAGE TAX GUIDELINES



PRINCE WILLIAM
Finance

Tax Administration Division

Translations of this booklet in Urdu, Korean, Chinese, Farsi, Arabic and Vietnamese are available online at pwcva.gov/departments/tax-administration/food-and-beverage-tax

DEFINITIONS

RESTAURANT

Any place where food is prepared for service to the public whether on or off the premises, any place where food is served to the public, or any place or operation that prepares or stores food for distribution to persons of the same business operation or of a related business operation for service to the public.



FOOD

Any and all edible refreshments or nourishment, liquid or otherwise, purchased in or from a restaurant or from a caterer, except snack foods sold separately.

BEVERAGE

Any alcoholic beverages defined in Virginia Code §4.1-100, and non-alcoholic beverages.



SNACK FOOD

Pre-packaged doughnuts, chewing gum, candy, popcorn, peanuts, cookies and unopened cans of soda, bags of chips, etc. sold separately, and not as part of a meal.

CATERER

A person who furnishes food on the premises of another for compensation.

GENERAL INFORMATION



What Is the Food and Beverage Tax?

Effective July 1, 2022, Prince William County began levying a tax on the purchase of all prepared food and beverages. The Food and Beverage Tax is 4% of the total cost of food and beverages sold by restaurants (defined on the previous page).

Who Collects the Food and Beverage Tax?

All entities listed within this pamphlet, and any others that meet the definition of "restaurant," are responsible for collecting the tax on food and beverages sold unless a legal exemption applies. The tax is collected from the customer and is remitted to the county. All funds collected are held in trust for the county until remitted monthly.

What Is the Deadline to Remit the Food and Beverage Tax?

The monthly returns and payment of the Food and Beverage tax must be filed with the Finance Department – Tax Administration Division on or before the twentieth day of each month covering the amount of taxes collected during the preceding month.

How Do I Remit the Food and Beverage Tax?

The monthly returns and payment can be made online at pwcva.gov/departments/tax-administration/food-and-beverage-tax or by filing and mailing a paper form. See the instructions for filing and paying your taxes on the back of the booklet.

What Happens if I Fail to File My Monthly Food and Beverage Tax Remittance?

Any seller that fails or refuses to file a required monthly remittance will be assessed penalties and possibly interest as well as be ineligible for the discount, depending on how long it takes to bring the account current. The Tax Administration division is required by law to make an assessment based on the best available information and a bill will be issued accordingly. In addition to the late filing penalty, a late payment penalty will be applied in the amount of 10% of the total amount of the tax owed.



Is There a Seller Discount?

For the purpose of compensating sellers for the collection of the tax every seller is allowed 3% of the amount of the tax due and accounted for in the form of a deduction on the monthly return; provided, the amount due is not delinquent at the time of payment.

Is Anyone Exempt from the Food and Beverage Tax?

The tax is not levied on food and beverages sold by:

Boardinghouses that do not accommodate transients
Cafeterias operated by industrial plants for employees only
Restaurants to their employees as part of their compensation when no charge is made to the employee
Volunteer fire departments and volunteer emergency medical services agencies; nonprofit churches or other religious bodies; or educational, charitable, fraternal, or benevolent organizations the first three times per calendar year, and beginning the fourth time, on the first \$100,000 of gross receipts per calendar year from sales of food and beverages as a fundraising activity
Churches that serve meals for their members as a regular part of their religious observances
Public or private elementary or secondary schools or institutions of higher education to their students or employees
Hospitals, medical clinics, convalescent homes, nursing homes, or other extended care facilities to patients or residents thereof
Day care centers
Homes for the aged, infirm, handicapped, battered women, narcotic addicts, or alcoholics
Age-restricted apartment complexes or residences with restaurants, not open to the public, where meals are served, and fees are charged for such food and beverages and are included in rental fees
Sellers at local farmers markets and roadside stands, when such sellers' annual income from such sales does not exceed \$2,500 (the sellers' annual income shall include income from sales at all local farmers markets and roadside stands, not just those sales occurring in the locality imposing the tax)

Is Anyone Exempt from the Food and Beverage Tax? (Cont.)

Also, the tax is not levied on food and beverages:

When used or consumed and paid for by the Commonwealth, any political subdivision of the Commonwealth, or the United States
Provided by a public or private nonprofit charitable organization or establishment to elderly, infirm, blind, handicapped, or needy persons in their homes, or at central locations
Provided by private establishments that contract with the appropriate agency of the Commonwealth to offer food, food products, or beverages for immediate consumption at concession prices to elderly, infirm, blind, handicapped, or needy persons in their homes or at central locations

Establishments Responsible for Collecting/Remitting Taxes on Food and Beverages Sold Include but Are Not Limited to:

Amusement parks	Confectionery	Mobile food services
Bakeries	Convenience stores	Nightclubs
Bars & breweries	Delicatessens	Movie theaters
Billiard parlors	Dining rooms	Public and private clubs
Bowling alleys	Distilleries & wineries	Push carts
Buffets	Eateries & eating houses	Restaurants
Cafe	Food trucks & vendors	Short order places
Cafeterias	Health clubs	Skating rinks
Caterers	Hot dog stands	Sporting venues
Coffee shops	Ice cream parlors/yogurt shops	Taverns
Concession stands	Lunchrooms	Theatres

TAXABLE

- Hot or cold meals served at restaurants and made to order
- Meals served from delicatessen counters of convenience and grocery stores
- Beverages, desserts, ice cream and snacks prepared.



NON-TAXABLE

- Factory sealed beverages sold alone.
- Grocery items
- Pre-packaged desserts, ice cream, and snack foods sold alone
- Any combination consisting entirely of beverages, grocery items, and/or snack foods sold separately
- Food and beverages sold through vending machines
- Any (i) voluntary gratuity and (ii) mandatory gratuities or service charges added by the restaurant in addition to the sales price, but only to the extent that such mandatory gratuity or service charge does not exceed 20 percent of the sales price.
- Alcoholic beverages sold in factory sealed containers and purchased for off-premises consumption.
- Food purchased for human consumption as "food" is defined in the Food Stamp Act of 1977, 7 U.S.C. § 2012, as amended, and federal regulations adopted pursuant to that act, except for the following items: sandwiches, salad bar items sold from a salad bar, prepackaged single-serving salads consisting primarily of an assortment of vegetables, and non-factory sealed beverages.

PAY AND FILE YOUR TAXES

Pay and File Your Taxes Online

1. Go to pwcva.gov/departments/tax-administration/food-and-beverage-tax
2. Click on File and Pay Food and Beverage Tax online
3. Register your business to access your tax account(s)
4. Associate your portal account with your existing business tax account records (tax account # and FEIN or SSN is required)
5. Select "View" to file your return online or "Pay Now" to make a payment

In the portal you can also:

- Report a change of address
- View outstanding bills
- View filing and payment history
- Sign up for e-filing and billing notifications
- Enroll in e-billing

Contact Us

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