

## Sales/Use/Indirect:

### Virginia: New Law Removes Accelerated Sales Tax Payment Requirements and Imposes Tobacco Tax Economic Nexus

Chapter 1 (H.B. 29, Budget Bill); Chapter 2 (H.B. 30, Budget Bill), enacted 6/17/22; 6/22/22. Applicable for tax periods beginning after June 30, 2021, Virginia's recently enacted "Budget Bills" eliminate the state requirement that certain dealers make an accelerated sales tax (AST) payment; penalties and interest for all prior years' AST payments remain due and collectible. The Virginia Department of Taxation has since issued a bulletin (Tax Bulletin 22-10 (June 22, 2022)) explaining these new AST payment provisions.

[URL: https://budget.lis.virginia.gov/bill/2022/2](https://budget.lis.virginia.gov/bill/2022/2)

[URL: https://www.tax.virginia.gov/sites/default/files/inline-files/tb-22-10-ast-repeal.pdf](https://www.tax.virginia.gov/sites/default/files/inline-files/tb-22-10-ast-repeal.pdf)

The Budget Bills also provide that beginning as of January 1, 2021, for purposes of Virginia's tobacco products tax (TPT), a distributor generally shall be deemed to have sufficient activity within Virginia requiring TPT registration if such distributor:

1. Receives more than \$100,000 in gross revenue, or other minimum amount as may be required by federal law, from sales of tobacco products in Virginia in the previous or current calendar year, provided that in determining the amount of a dealer's gross revenues, the sales made by all commonly controlled persons must be aggregated; or
2. Engages in 200 or more separate tobacco products sales transactions, or other minimum amount as may be required by federal law, in Virginia in the previous or current calendar year, provided that in determining the total number of a dealer's retail sales transactions, the sales made by all commonly controlled persons must be aggregated.

Please contact us with any questions.

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