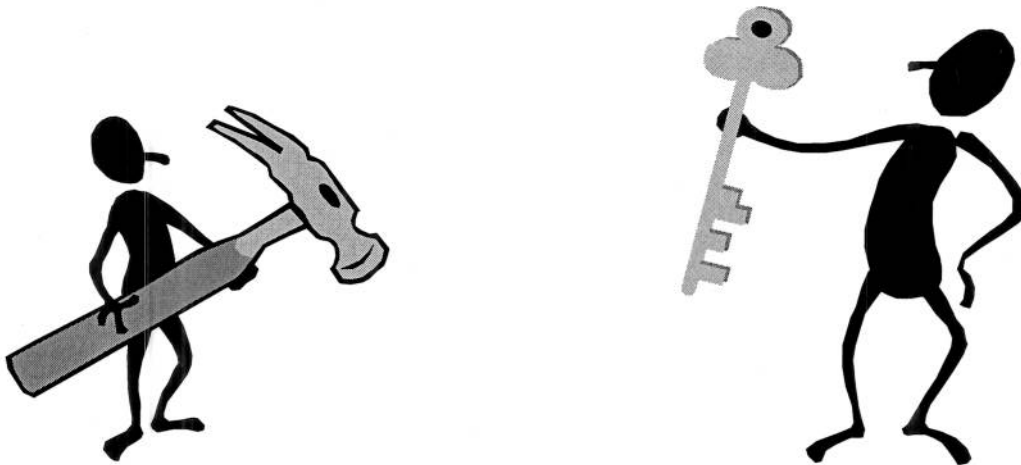


Key Tips and Hints for Sales Tax Distribution Reports



Sales Tax

Distribution Report 004.D – Report provides information on the distribution of the local sales, use and vending tax money to Virginia localities.

- Create your own Local Reports
 - On a calendar year basis, combine the Excel versions of the monthly distribution report into one spreadsheet and sort by taxpayer name or account number.
 - For research purposes, it is much easier to see what a particular account has paid to your locality looking at the spreadsheet rather than going return by return in IRMS.
- Customize your Local Reports
 - Sort the combined distribution report by dollar amount and review the negatives (money taken away from your locality). Verify that money taken away was actually received in a prior distribution by checking under that account for the same tax period.
- Locality Large Dollar Accounts
 - Verify that a distribution is received every month and there are no significant fluctuations.
 - Focus on large dollar revenue to minimize staff time.
- Compare the local sales tax distribution to the business license (BPOL) gross receipts.
 - Some classifications have significant sales-tax-exempt sales that have to be deducted in making the comparison.

Monthly Gross Receipt Listing Report 280.0 – Report provides the gross receipts of local sales, use and vending tax money to Virginia localities.

- Compare TAX’s dealer identifying information to your business license data to verify all accounts registered with TAX as being in your locality are properly licensed there.
- Localities that impose Food and Beverage Tax
 - Compare the gross sales amounts in the column entitled FD to your local monthly meals tax submissions
 - Minimize staff time by sorting the report in descending order using Column labeled FD

Cumulative Gross Receipt Listing Report 148.0 – Report provides the gross receipts of local sales, use and vending tax money to Virginia localities.

- Compare gross sales reported to TAX to reported business license gross receipts.
 - Some classifications have significant sales-tax-exempt sales that have to be deducted in making the comparison.
 - Consider deducting the “Personal Use” from the “Total Taxable Sales” and comparing the result to the locally reported BPOL gross receipts.
 - The March or April report should approximate the gross receipts reported locally for current BPOL tax purposes
 - Minimize staff time by cross-referencing the FEIN/SSN in Report 280.0 to Report 148.0

Monthly New Dealer Report 243.0 (own locality) – Report displays Sales Tax Dealers that have opened, re-opened or have closed a location in a particular locality during the month.

- Verify that new businesses registered to your locality are actually located there (sort the Excel version of the report by Zip Codes and locate Zip Codes that do not belong to your locality).
- This will minimize the impact of paying more money for distribution that your locality shouldn’t have received if found quicker.
- Verify that new businesses registered to your locality are properly licensed.
- Review the beginning and ending (BLD/ELD) liability dates for business license purposes.

Monthly New Dealer Report 243.0 (surrounding localities) - Report displays Sales Tax Dealers that have opened, re-opened or have closed a location in a particular locality during the month.

- Verify that new businesses registered to surrounding localities aren't actually located in your locality (sort the Excel version by Zip Code and search for your localities Zip Codes).

Registration Tax Type Activity Report 061.1 – Report list totals of registration activity, such as additions, modifications and deletions by tax type.

- Review any change a business in your locality has made such as a name change or a FEIN change.

Locality Transfers Detail Report 003.A – Report provides information on the revenue transferred between localities.

- Review transfers made to and from your locality to make sure corrections you were expecting are received and money moved out is explained and accurate.
- Transfers that will take 6 months to receive or repay can be monitored in the IRMS application on-line under the dropdown of “Locality Pending Transfer In Progress”.

Helpful Hints

- A lot of the negative figures are explained by an amended return or an audit. (these can be viewed in the IRMS application). These negatives usually leave at least a smaller amount of money in the tax account period than what was originally distributed. If all the money for a tax account period is removed, or if the money was not received in the first place, have TAX research the case.
- Use Tax and Consumer's Use Tax accounts (Type 12 and 14) are likely to have fluctuations; the Sales Tax accounts (Type 10) usually should not.