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HOUSE BILL NO. 1362

Offered January 20, 2026

A BILL to amend and reenact § 58.1-614, as it is currently effective and as it may become effective, of the Code of Virginia, relating to sales and use tax; sales through vending machines.

Patron—McNamara

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-614, as it is currently effective and as it may become effective, of the Code of Virginia is amended and reenacted as follows:

§ 58.1-614. (Contingent expiration date) Vending machine sales.

A. 1. Notwithstanding the provisions of §§ 58.1-603 and 58.1-604, whenever a dealer makes sales of tangible personal property through vending machines, or in any other manner making collection of the tax impractical, as determined by the Tax Commissioner, such dealer shall be required to report his wholesale purchases for sale at retail from vending machines and shall be required to remit an amount ~~based on~~ described in subdivision 2.

2. A dealer described in subdivision 1 shall remit the tax imposed by this chapter in the following amounts:

a. Beginning January 1, 2027, for sales through vending machines of food purchased for human consumption or essential personal hygiene products, one percent of such wholesale purchases as provided in subsection B. No other tax shall be imposed under this chapter, or pursuant to any authority granted under this chapter, on such sales.

b. For (i) sales through vending machines of food purchased for human consumption or essential personal hygiene products occurring before January 1, 2027, or (ii) all other sales except those sales described in subdivision a, 5.3 percent of such wholesale purchases. However, any dealer located in any county or city for which the taxes under §§ 58.1-603.1 and 58.1-604.01 are imposed shall be required to remit an amount based on 6.0 percent of such wholesale purchases.

c. For purposes of this section, "food purchased for human consumption" and "essential personal hygiene products" mean the same as those terms are defined in § 58.1-611.1.

B. Notwithstanding the provisions of §§ 58.1-605 and 58.1-606, dealers making sales of tangible personal property through vending machines shall report and remit the one percent local sales and use tax computed as provided in subsection A.

C. The provisions of subsections A and B shall not be applicable to vending machine operators all of whose machines are under contract to nonprofit organizations. Such operators shall report only the gross receipts from machines selling items for more than 10 cents and shall be required to remit an amount based on a percentage of their remaining gross sales established by the Tax Commissioner to take into account the inclusion of sales tax.

D. Notwithstanding any other provisions in this section, when the Tax Commissioner determines that it is impractical to collect the tax in the manner provided by those sections, such dealer shall be required to remit an amount based on a percentage of gross receipts ~~which~~ that takes into account the inclusion of the sales tax.

E. The provisions of this section shall not be applicable to any dealer who fails to maintain records satisfactory to the Tax Commissioner. A dealer making sales of tangible personal property through vending machines shall obtain a certificate of registration under § 58.1-613 in relevant form for each county or city in which he has machines.

§ 58.1-614. (Contingent effective date) Vending machine sales.

A. 1. Notwithstanding the provisions of §§ 58.1-603 and 58.1-604, whenever a dealer makes sales of tangible personal property through vending machines, or in any other manner making collection of the tax impractical, as determined by the Tax Commissioner, such dealer shall be required to report his wholesale purchases for sale at retail from vending machines and shall be required to remit an amount ~~based on four and one-half percent through midnight on July 31, 2004, and~~ described in subdivision 2.

2. A dealer described in subdivision 1 shall remit the tax imposed by this chapter in the following amounts:

a. Beginning January 1, 2027, for sales through vending machines of food purchased for human consumption or essential personal hygiene products, one percent of such wholesale purchases as provided in subsection B. No other tax shall be imposed under this chapter, or pursuant to any authority granted under this chapter, on such sales.

b. For (i) sales through vending machines of food purchased for human consumption or essential personal

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59 *hygiene products occurring before January 1, 2027, or (ii) all other sales except those sales described in*
60 *subdivision a, five percent beginning on and after August 1, 2004, of such wholesale purchases.*

61 *c. For purposes of this section, "food purchased for human consumption" and "essential personal hygiene*
62 *products" mean the same as those terms are defined in § 58.1-611.1.*

63 B. Notwithstanding the provisions of §§ 58.1-605 and 58.1-606, dealers making sales of tangible personal
64 property through vending machines shall report and remit the one percent local sales and use tax computed as
65 provided in subsection A ~~of this section~~.

66 C. The provisions of subsections A and B ~~of this section~~ shall not be applicable to vending machine
67 operators all of whose machines are under contract to nonprofit organizations. Such operators shall report
68 only the gross receipts from machines selling items for more than 10 cents and shall be required to remit an
69 amount based on a percentage of their remaining gross sales established by the Tax Commissioner to take
70 into account the inclusion of sales tax.

71 D. Notwithstanding any other provisions in this section, when the Tax Commissioner determines that it is
72 impractical to collect the tax in the manner provided by those sections, such dealer shall be required to remit
73 an amount based on a percentage of gross receipts ~~which~~ *that* takes into account the inclusion of the sales tax.

74 E. The provisions of this section shall not be applicable to any dealer who fails to maintain records
75 satisfactory to the Tax Commissioner. A dealer making sales of tangible personal property through vending
76 machines shall obtain a certificate of registration under § 58.1-613 in relevant form for each county or city in
77 which he has machines.