

CITY OF SALEM, VIRGINIA
BOOK OF RATES AND FEES

COMMISSIONER OF THE REVENUE

COMMISSIONER OF THE REVENUE FEES

SHORT TERM/DAILY RENTAL TAX

Assessing Department:

Commissioner of the Revenue

Collecting Department:

Treasurer

Description:

Localities in Virginia are authorized by the Code of Virginia to levy a tax which can not exceed 1% of the gross proceeds of a person engaged in the short term rental business as defined in State of Virginia Code Section 58.1-3510. Any person engaged in the short term rental business as defined in section 82-178 shall collect the rental tax from the lessee of the daily rental property at the time of the rental.

What is Daily Rental Property? All tangible personal property held for rental and owned by a person engaged in the short term rental business, except trailers as defined in Code of Virginia, 46.2-100, and other tangible personal property required to be licensed or registered with the state department of motor vehicles, state department of game and fisheries or state department of aviation. Except for daily rental of passenger cars, all rental property that is not daily rental property shall be classified pursuant to Code of Virginia, 58.1-3503.

Rate or Fee

The Short Term/Daily Rental Tax is one percent (1%) of the total amount charged to each person for the rental of daily rental property.

Due Dates: Quarterly returns are remitted not later than the 15th day following the end of each calendar quarter. Payments are due the last day of the month following the end of the calendar quarter. **Quarterly Remittance Procedures:** Please make checks payable to City of Salem and remit tax accompanied by the Short Term/Daily rental tax remittance form to the Commissioner of the Revenue PO Box 869 Salem VA 24153.

Penalties for failure to file or late filing: A penalty of six percent (6%) of the tax due if the failure is for not more than one month, with an additional six percent (6%) for additional month the failure occurs not to exceed thirty percent (30%) of the tax shall be added to all delinquent filings. In no case shall the penalty be less than \$10.00, even if no tax is due for the period for which the return was required. In the case of a willful failure to file a return with the intent to defraud the Commonwealth of any such tax, a specific penalty of 50% percent of the amount of the proper tax shall be assessed. Violation of any provision of this code shall be guilty of a Class 1 misdemeanor pursuant of VA Code 58.1-636. **Interest** at a rate determined in accordance with 58.1-15 (IRS 6621 (a) (2)), shall accrue on the tax until same is paid.

Legal Authorization:

Salem City Code, Chapter 82, Article VI, Section 82-176-183

Code of Virginia, Title 58.1, Subtitle III, Chapter 35, Article 3.1, Section 58.1-3510.4-3510.7; Title 58.1, Section 58.1-15