

**CITY OF SALEM, VIRGINIA  
BOOK OF RATES AND FEES**

**FINANCE**

**FINANCE FEES**

**SALES AND USE TAX**

**Assessing Department:**

Commonwealth of Virginia

**Collecting Department:**

Treasurer

**Description:**

Commonwealth of Virginia requires a Sales Tax be assessed on all purchases except prescription drugs. Also exempt of this tax is food for home consumption (e.g. grocery items) and certain essential personal hygiene items are taxed at a reduced rate of 1%.

<b>Rate or Fee</b>	<b>Amount</b>
The Sales and Use tax is	5.30%
The Department of Treasury disburses 1.0% of the tax to the city on a monthly basis.	

**Legal Authorization:**

**Ordinance, Effective date: (10-26-1981) General retail sales tax is exempt from artificial or propane gas, firewood, coal and home heating oil purchased for domestic consumption.**

**Code of Virginia, Title 58.1, Subtitle I, Chapter 3, Article 14, Section 58.1-441.49  
Sales and Use Tax Policy Statement 81-1**