



COMMONWEALTH of VIRGINIA
Department of Education

DATE: August 28, 2018

TO: Division Superintendents

FROM: James F. Lane, Superintendent of Public Instruction

SUBJECT: Guidance for Reporting June Accelerated Sales Tax on the Annual School Report

On Thursday, August 16, 2018, the Virginia Department of Education (VDOE) notified school divisions via Superintendent's Email of a language change within §3-5.06 of the appropriation act (Chapter 2) that affects the distributions of the June accelerated sales taxes to school divisions. This Superintendent's Email is attached for your reference. The amendment provides the Virginia Department of Taxation additional time to certify accelerated sales tax figures in order to ensure their accuracy. The effect of this amendment on school divisions is a delay in the receipt of sales tax distributions from June accelerated sales taxes. While a specific month of distribution is unknown at this time, VDOE indicated in its communication that school divisions can expect to receive these amounts by the end of the second quarter of fiscal year 2019.

The amendment to the appropriation act regarding accelerated sales tax will affect all school divisions that use a two-month accrual basis of accounting when reporting sales tax revenues on the Annual School Report. For school divisions that use a one-month accrual basis of accounting, the following Annual School Report guidance is not applicable.

For school divisions using the two-month accrual basis of accounting in reporting sales tax distributions, the Annual School Report should reflect the sales tax figures reported in the online Locality Ledger report. This amount is preloaded in the Annual School Report template in the revenues section. In the event some divisions would experience hardship in reporting sales tax distributions in this fashion, these divisions can exercise a local option to use a one-month accrual in reporting sales tax receipts on the fiscal year 2018 and subsequent fiscal year Annual School Reports.

If you have any questions related to the guidance for accelerated sales tax, please contact Kent C. Dickey, Deputy Superintendent for Finance and Operations, or budget office staff at (804) 225-2025 or by email at doebudgetoffice@doe.virginia.gov.

JFL/eml

Attachment: [August 16, 2018 Superintendent's Email](#)