



WHAT IS THE FOOD AND BEVERAGE TAX?

Effective July 1, 2022, Prince William County will begin levying a tax on the purchase of all prepared food and beverages. Effective January 1, 2026, the Food and Beverage Tax decreases from 4% to 3% of the total cost of food and beverages sold by restaurants.

The Food and Beverage Tax is a tax on food and beverages, including alcoholic beverages, sold in or from a food establishment, whether prepared or consumed in the food establishment or not, and whether consumed on the premises of the food establishment or not.

Establishments responsible for collecting/remitting the Food and Beverage Tax include but are not limited to the ones listed on the inside of this brochure.

The tax is collected by the business and held in trust until remitted to the County on or before the twentieth of the following month.



For more information and specific examples pertaining to certain businesses, please refer to the Prince William County Tax Administration website at:

www.pwcva.gov/departments/tax-administration/food-and-beverage-tax



PRINCE WILLIAM
Finance

Tax Administration Division

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www.pwcva.gov

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Translations of this brochure in Urdu, Korean, Chinese, Farsi, Arabic and Vietnamese are available online at pwcva.gov/departments/tax-administration/food-and-beverage-tax



FREQUENTLY ASKED QUESTIONS

Why Is Prince William County Seeking a Food and Beverage Tax?

The County proposed the Food and Beverage Tax as part of the Five-Year Plan in order to broaden and diversify the County's tax base. Conservatively, it is estimated that the tax will generate \$24.5 million in new tax revenue, and over \$14 million of this amount will be dedicated to Prince William County public schools.

How Does the Prince William County Tax Rate Compare to Other Jurisdictions?

Food and beverage taxes are a common source of revenue in Virginia. Many surrounding localities have a food and beverage tax as shown below:

LOCALITY	RATE
Albemarle	4%
Alexandria	5%
Arlington	4%
Dumfries	4%
Haymarket	4%
Henrico	4%
Manassas City	4%
Quantico	4%
Spotsylvania	4%
Fredericksburg	6%
Stafford	5%
Virginia Beach	5.5%

How Much Will the Food and Beverage Tax Cost Prince William County Residents?

The tax is 4 pennies for every dollar spent. It is anticipated that 20% or more of the tax will be paid by non-County residents.

According to research, four food nodes in the County are responsible for 8.6 million annual restaurant visits nearly half (46.2%) of which are made by non-County residents:

Virginia Gateway

4.1 million restaurant visits
45% or 1.8 million of which are non-County residents

Sudley Road

1.9 million restaurant visits
63% or 1.2 million of which are non-County residents

Stonebridge Potomac Center

2.0 million restaurant visits
36% or 0.7 million of which are non-County residents

Potomac Mills

0.6 million restaurant visits
37% or 0.2 million of which are non-County residents

Establishments responsible for collecting/remitting taxes on food and beverages sold include but are not limited to:

Amusement parks	Food trucks & vendors
Bakeries	Health clubs
Bars & breweries	Hot dog stands
Billiard parlors	Ice cream parlors/ yogurt shops
Bowling alleys	Lunchrooms
Buffets	Mobile food services
Cafes	Movie theaters
Cafeterias	Nightclubs
Caterers	Public & private clubs
Coffee shops	Push carts
Concession stands	Restaurants
Confectionery	Short order places
Convenience stores	Sporting venues
Delicatessen	Skating rinks
Dining rooms	Taverns
Distilleries & wineries	Theatres
Eateries & eating houses	

Also included on a limited basis are:

Colleges and Universities - only when sold to non-students or non-employees, not to students/employees

Hospitals and Nursing Homes - only when sold to employees and the general public, not to patients/residents

Industrial Cafeterias - only when sold to the general public, not to employees