

# Virginia Tax

## General Requirements

In general, an employer who pays wages to one or more employees in Virginia is required to deduct and withhold state income tax from those wages. Since Virginia law substantially conforms to federal law, if federal law requires an employer to withhold tax from any payment, we also require Virginia withholding.

Find more details about registering as an employer, filing requirements, and payment options below.

## Household Employer Withholding Tax (Nanny Tax)

Employers of certain household employees have the option of reporting and paying the Virginia income tax withheld from those employees on an annual basis. For the employer to qualify, the employment must consist exclusively of domestic service in the private home of the employer, as defined in the Federal Employment Tax Regulations.

The annual filing provision is a filing option for qualified employers. It does not establish a new requirement for withholding. Unlike the federal "nanny tax," the Virginia household employer's withholding tax is filed on a separate return, and is not included in the employer's personal income tax filing. If you choose to register for this annual filing option, you will be required to file Form VA-6H, the Virginia Household Employer's Annual Summary of Income Tax Withheld, by Jan. 31 each year to report and pay the Virginia income tax withheld for the preceding calendar year. You must file Form VA-6H online, either through your [online services account](#) or through [eForms](#).

### Basic Instructions for Household Employers

Before you begin, make sure you are liable to withhold Virginia income tax from the wages of your household employee(s). If the wages are not subject to federal withholding, they are not subject to Virginia withholding.

Complete instructions for withholding Virginia income tax from wages, salaries, and other payments are contained in the [Virginia Employer Withholding Instructions](#). Information on corresponding federal requirements is available from the IRS, and unemployment tax information, including an annual filing option, is provided by the [Virginia Employment Commission](#).

### Registration

To register for a household employer's withholding tax account, complete [Form R-1H](#), or [register online](#). If you are already filing for a domestic employee under a regular quarterly or monthly withholding tax account, be sure to close that account when you register for your new household employer's account, and request that any payments made for the current year be transferred to the new account. For assistance, contact us at [804.367.8037](tel:804.367.8037).

Once you register for a household employer's withholding tax account, you must file a Form VA-6H for each year that you keep the account open, even if you have no tax to report. Failure to file could result in penalties of up to 30% of the tax due.

## How to File and Pay

Form VA-6H must be filed by **Jan. 31** each year, with copies of each W-2 issued to a household employee during the previous calendar year and payment for the tax due.

To file W-2 information and pay the tax due, file Form VA-6H through your [online services account](#).

If you don't have an account, you can file using eForms:

- [VA-6H/ W-2 combined eForm](#) (for household employers who employ up to 10 household employees - see the [VA-6H/ W-2 eForm Instructions](#) for more information)
- [VA-6H eForm](#)
- [W-2 eForm](#)

To compute the withholding tax, use the [Virginia Employer Withholding Tables](#).

## Frequently Asked Questions

### Qualified Employers and Employees

#### **What is a household employer? What does it mean to have household employer status?**

A household employer is an individual who employs 1 or more people solely for the purpose of domestic service in the home of the employer. For Virginia purposes, "household employer status" means that you meet this requirement and have registered for a Virginia household employer's withholding tax account. This registration allows you to file your withholding tax on an annual basis, rather than using the quarterly or monthly filing status required for most other employers.

#### **How do I know if an employee qualifies as a household employee?**

The employee must be classified as an employee performing domestic service under federal definitions. This category includes employees such as nannies, babysitters, housekeepers, gardeners, elder-care workers, in-home nursing care providers, and others who provide domestic services. For details, refer to the Federal Employment Tax Regulations, which are available at [www.irs.gov](http://www.irs.gov).

#### **If I have a household employee and other business employees, can I include tax for all of them on my annual Virginia Household Employer's return?**

No. You must report information on non-household employees under a separate withholding tax account for your business.

#### **I have a small business that I run from my home with only 1 or 2 employees. Can I sign up for household employer status?**

No. The household employer annual filing option is available only to employers whose employees provide domestic service in the home. You should register for an employer withholding tax account to report the taxes for your business employees.

### Who Should Register

**Federal law allows me to file my "nanny tax" on an annual basis, and I would like to do that for Virginia. Should I register for a household employer's withholding account?**

As long as you meet the federal requirements, you may register as a household employer for Virginia purposes. Keep in mind, however, that the reporting and payment is done on a separate return, Form VA-6H.

**I just hired a nanny. Do I have to register for a household employer's withholding tax account?**

Not necessarily. As described under Basic Instructions for Household Employers, you need to determine whether you are required to withhold Virginia income tax from your employee's wages. If withholding is required, you may register for a household employer's account, which allows you to file annually, or you may register for an employer withholding tax account, which will require quarterly filing.

**I have a gardener who has always handled his own taxes, because the wage amounts are too low for withholding to be required. Do I need to sign up for a household employer's account?**

No. You don't need to register for an account unless you are actually required to withhold Virginia income tax from your employee's wages.

**I already file withholding taxes for my household employees on a quarterly basis, and I prefer to keep my books that way. Am I required to register for a household employer's account?**

No. The household employer status offers an annual filing option for qualifying employers. You may continue to file on a quarterly basis under your existing account.

**Filing and Payment**

**How do I file and pay the tax due for my household employees?**

You may file Form VA-6H through your [online services account](#) to report the tax due and remit your tax payment, as well as copies of the W-2s for your employees. You can also file using [eForms](#).

**When are the return and payment due?**

Form VA-6H must be filed [online](#) by Jan. 31 of each year, along with payment for the tax due and copies of any W-2s issued to your household employees for the preceding year.

**Can I report and pay the tax due with my individual income tax return?**

No. You must make a separate filing on Form VA-6-H by Jan. 31.

**I registered for a household employer withholding tax account, but I didn't have any employees this year. Do I still need to file a return?**

Yes. You will still need to file your annual return, [Form VA-6H](#), by Jan. 31. If you don't anticipate hiring household employees in the future, you should request that your account be closed. Otherwise, you will need to file annual returns as long as the account remains open.

## **What should I do if I stop having employees during the year?**

You will still need to file your annual return, [Form VA-6H](#), by Jan. 31 of the following year, along with copies of the W-2s issued to your employees. If you don't anticipate hiring household employees in the future, you should request that your account be closed. Otherwise, you will need to file annual returns as long as the account remains open.

## **What will happen if I file Form VA-6H or pay the tax due after Jan. 31?**

Late filing or late payment of the tax may result in the assessment of penalties and interest. The minimum penalty is \$10, and the maximum penalty is 30% of the tax due. Interest accrues on the tax due until the tax is paid.

## **Can payroll service providers file the annual returns (Form VA-6H) for household employers?**

Yes. The service providers need to be sure to reference the proper account number, particularly the suffix. Although many accounts will carry a suffix of F001, this will not always be the case. For example, if you have accounts for both business and household employees, or if you switched to the annual filing status from a previously existing quarterly account, your household employer account may carry a suffix of F002, F003, etc. It is important to use the correct suffix to make sure that payments are applied correctly. To avoid errors, check both the name and the account number of the return being submitted. For faster processing, the provider may wish to use our [Web Upload](#) service.