



SALES AND USE TAX RESPONSIBILITIES OF LOCAL GOVERNMENTS

The purpose of this publication is to provide general tax information about local governments. This publication is not a substitute for tax law or regulations.

The term "local government" includes county commissions, county school boards, municipalities and local government authorities, boards and commissions created by or pursuant to an Act of the West Virginia Legislature. Such authorities, boards and commissions include, but are not limited to:

- County Airport Authorities; County Building Commissions; County Development Authorities; County or Regional Airport Authorities; County owned and operated hospitals, clinics, long-term care facilities and related facilities; County Parks and Recreation Commissions; County Solid Waste Authority; Emergency Ambulance Service Authority; Historic Landmarks Commission; Municipal Building Commissions; Municipal Electric Power Systems; Municipal Park and Recreation Board; Municipal Waterworks; Museum Commissions; Planning Commissions; Regional Airport Authorities; Regional Planning Council; Urban Mass Transit Authorities

SALES BY LOCAL GOVERNMENT ENTITIES

General Rule - As a general rule, a local government entity that sells tangible personal property must collect sales tax. If the government entity provides services which are or may be in competition with services provided by the private sector, the government entity must collect sales tax on the consideration it receives from the transaction and remit it to the State Tax Department.

Rate of Tax - The sales tax is based upon a rounding system. The purchase price is multiplied by 6% and carried to the third decimal place and rounded up to the next whole cent when the third decimal place is greater than four, and rounded down to the lower whole cent when the third decimal place is four or less.

Table with 2 columns: Sales Price and Tax. Rows show price ranges and corresponding tax rates from .01¢ to .07¢.

Examples:

Taxable Sales

Pro Shop sales; Sales of refreshments from concession stands; Souvenir shop sales; Vending machine sales

Taxable Services

Admissions to swimming pools, recreation centers, fitness centers, golf courses, etc.; Catering services for parties, wedding receptions, banquets, etc.; Charges for classes such as tennis, swimming, golf aerobics, crafts, etc.; Coin operated amusement devices; Off-street parking unless particular space is leased for thirty or more consecutive days; Room rentals, e.g., hotel rooms, ballrooms, meeting rooms off-street parking unless particular space is leased for thirty or more consecutive days. This list is not all inclusive.

Nontaxable Transactions

Fire service fees; Inspection fees; License fees; Marriage licenses; Recording fees; Sewage fees

PURCHASES BY LOCAL GOVERNMENTAL ENTITIES

General Rule - As a general rule, a West Virginia local unit of government may claim exemption from paying sales or use taxes when it purchases or leases tangible personal property and when it purchases taxable services. To claim this exemption, an exemption certificate must be completed, properly executed and given to each vendor from whom tangible personal property is purchased or leased or taxable services are received. This form may be obtained by calling the automated telephone system in our Taxpayer Services Division at (304) 344-2068 or toll free (in West Virginia only) at 1-800-422-2075

Reimbursed Employee Business Expenses - When government employees make purchases related to their governmental business, such as motel rooms and meals while traveling on government business, such transactions are taxable unless the vendor directly bills the government entity which directly pays the vendor. If the employee pays and then seeks reimbursement from his or her employer, sales tax must be paid by the employee. Transactions paid for by means of a corporate charge card are taxable unless the credit card is in the name of the government entity and the credit card company directly bills the government entity which pays the invoice.

West Virginia State Tax Department
Taxpayer Services Division
P. O. Box 3784
Charleston, West Virginia 25337-3784
Telephone: (304) 558-3333
Toll free: 1-800-WVA-TAXS (1-800-982-8297)
or visit our web site:
<http://www.state.wv.us/taxdiv>
TDD service for the hearing impaired: 1-800-2TAXTDD (1-800-282-9833)