



## Sales And Use Tax And Veterinarians

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For sales and use tax purposes, doctors of veterinary medicine are generally engaged in multiple business activities. They provide professional medical services and may also provide nonprofessional services and sell related products. This publication provides general information concerning West Virginia sales and use tax as it applies to the business activities of veterinarians. It is not a substitute for tax laws or regulations.

### Sales by Veterinarians

When veterinarians provide medical services, they are engaged in a professional service activity and are not required to collect Sales Tax from their customers. This exemption from the collection of the tax applies to fees charged for medical examinations and treatments, and includes charges for medications, supplies and materials which are used in providing the professional medical service. The "professional services" exemption may also include charges for nonprofessional services but only when these activities are provided as an integral part of the professional medical service. For example, a veterinarian examines his client's pet poodle, cleans, and applies medication and a dressing to an injured paw and administers an injection to prevent the spread of infection. As a part of the medical procedure the animal must be immobilized and is boarded overnight. The doctor provides his client an itemized statement which includes the following charges: office visit and examination, \$35, dressing and medication, \$15, injection, \$10, and boarding, \$20. The total charge is exempt from Sales Tax because the medications and materials were used in the provision of the professional medical service. The charge for boarding is exempt only because it was a necessary part of a medical procedure.

If a veterinarian sells products and supplies over the counter that are not drugs, durable medical goods, mobility enhancing equipment and prosthetic devices, to be dispensed upon prescription, that are used to treat animals, then the veterinarian must collect the Sales Tax from the customer and remit the tax collected to the West Virginia State Tax Department. For example, sales by a veterinarian of dog leashes, dog collars, over the counter flea spray, feeding bowls, chew toys, and dog grooming products such as brushes, combs, and dog shampoos, are taxable. Also, veterinarians who provide nonprofessional services such as boarding, training, bathing, and grooming (which are not related to their professional medical services) must collect the tax on fees charged for these activities. Veterinarians are relieved of the responsibility of collecting the Sales Tax when they accept, in good faith, a properly completed tax exemption certificate from their customer and retain the certificate in their files. As with any vendor of taxable tangible personal property or taxable services, veterinarians who fail to collect the tax on their taxable sales will be held personally liable for payment, to the State of West Virginia, of the tax they failed to collect. Therefore it is important that veterinarians maintain complete and adequately detailed records which clearly distinguish their non-taxable sales from their taxable sales.

### Purchases by Veterinarians

After July 1, 2009, purchases by a veterinarian of drugs, durable medical goods, mobility enhancing equipment and prosthetic devices, all as defined in West Virginia Code § 11-15B-2, to be dispensed upon prescription are exempt from the consumers sales and service tax and use tax under West Virginia Code §11-15-9i.

Veterinarians must pay Sales or Use Tax when they make purchases of equipment, supplies, materials, and other products which will be used or consumed in providing professional medical services, but which do not constitute "drugs, durable medical goods, mobility enhancing equipment and prosthetic devices, . . . as defined in West Virginia Code § 11-15B-2, to be dispensed upon prescription."

Veterinarians must pay Sales or Use Tax on all of their purchases of tangible personal property or services for use or consumption in providing nonprofessional services. However, a veterinarian's purchases of tangible personal property for resale will be exempt from the consumers sales and service tax and use tax under the purchases for resale exemption of West Virginia Code § 11-15-9(b)(9). This exemption applies to any purchase of tangible personal property by the veterinarian for resale to the public, but it does not apply to tangible personal property to be dispensed to professional clients or consumed by the veterinarian in providing professional or nonprofessional services.

The resale exemption is claimed by use of standard exemption certificate — designated as **SSTGB Form F0003 Exemption Certificate (2/22/08)**. Veterinarians should complete an exemption certificate and provide it to the vendors from whom they make purchases for resale. In the event that veterinarians make purchases for resale using the exemption certificate and subsequently use the property in a taxable manner, they must pay Use Tax on the purchase price of the product used.

## Important Notice - Use Tax

Veterinarians who make taxable purchases from suppliers (including out-of-state suppliers) who do not collect West Virginia Sales or Use Tax must pay the Use Tax directly to the State Tax Department. The Use Tax must be paid quarterly on a combined sales and use tax return (**Form WV/CST-200CU**). The Use Tax is a companion tax to the Sales Tax and is levied on tangible personal property and taxable services purchased outside the state for use in this State on which the Sales Tax has not been paid. The Use Tax rate is 6%. Veterinarians who have not established a Combined Sales and Use Tax account with the State Tax Department should contact the State Tax Department immediately to establish the proper account. When a Combined Sales and Use Tax account is established, the Tax Department will automatically provide a Combined Sales and Use Tax form to the business prior to the due date of the return.

West Virginia State Tax Department

Taxpayer Services Division  
P. O. Box 3784

Charleston, West Virginia 25337-3784

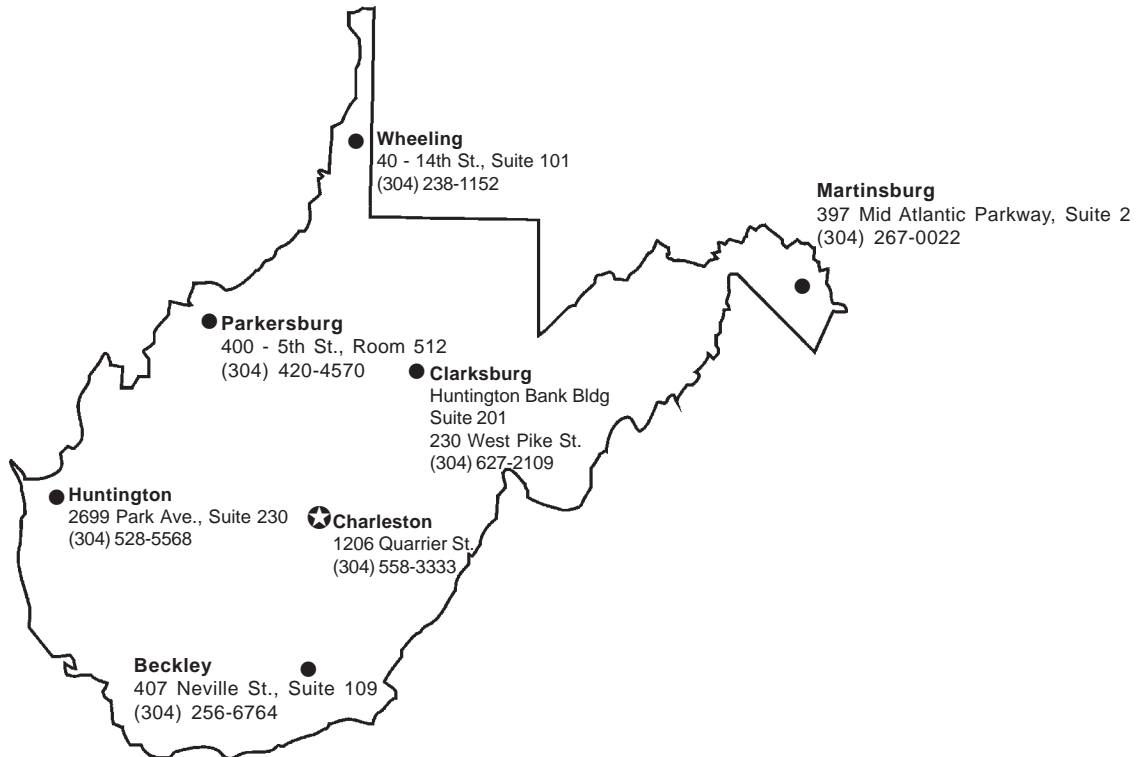
Telephone: (304) 558-3333

Tollfree: 1-800-WVA-TAXS (1-800-982-8297)

or visit our web site:

<http://www.state.wvtax.gov/>

TDD service for the hearing impaired: 1-800-2TAXTDD (1-800-282-9833)



**Summary:**

PURCHASER	TANGIBLE PERSONAL PROPERTY OR SERVICE	TAXABLE OR EXEMPT
Veterinarian, After July 1, 2009.	Drugs, durable medical goods, mobility enhancing equipment and prosthetic devices, to be dispensed by the veterinarian upon prescription	Exempt when purchased by the veterinarian.
Veterinarian	Tangible personal property or services purchased by the veterinarian and to be dispensed to the client (or the client's animal) by the veterinarian in the course of and as part of providing <b>professional</b> services, <b>other than</b> "drugs, durable medical goods, mobility enhancing equipment and prosthetic devices, dispensed upon prescription."	Taxable when purchased by the veterinarian. The tangible personal property is treated as having been consumed by the veterinarian in the provision of professional services by the veterinarian, notwithstanding the fact that the tangible personal property or service is dispensed to or transferred to the client's animal or used up in the treatment of the animal.
Veterinarian	Tangible personal property or services purchased by the veterinarian to be used or consumed by the veterinarian in providing <b>nonprofessional</b> services and never resold.	Taxable when purchased by the veterinarian. The veterinarian is the final consumer of this tangible personal property or service.
Veterinarian	Tangible personal property or services purchased by the veterinarian to be used or consumed by the veterinarian in providing <b>professional</b> services and never resold.	Taxable when purchased by the veterinarian. The veterinarian is the final consumer of this tangible personal property or service.
Veterinarian	Tangible personal property purchased for resale by the veterinarian for resale to clients in providing <b>nonprofessional</b> services -- e.g., dog combs or decorative bows and ribbons sold by the nonprofessional dog grooming and shampoo service to the client.	Exempt purchase for resale when purchased by the veterinarian
Veterinarian	Tangible personal property purchased for resale by the veterinarian to be resold to the public and associated with neither professional nor nonprofessional services – e.g., dog bowls, leashes, dog collars, chew toys, etc. sold to a client or to a visitor to the facility.	Exempt purchase for resale when purchased by the veterinarian.
Client of the veterinarian	Drugs, durable medical goods, mobility enhancing equipment and prosthetic devices, dispensed to the final consumer by the veterinarian or any other seller upon prescription	Exempt purchase of a prescription item when purchased by the client.
Client of the veterinarian	Tangible personal property or service <b>other than</b> "drugs, durable medical goods, mobility enhancing equipment and prosthetic devices, dispensed upon prescription," that is dispensed by the veterinarian, <b>but not upon prescription</b> to the client (or the client's animal) in the course of and as part of providing <b>professional</b> veterinary services.	Exempt purchase of professional services when purchased by the client from the veterinarian.
The public as final consumer, including client and non-client purchasers.	Tangible personal property associated with neither professional nor nonprofessional services that was purchased for resale by the veterinarian and then is ultimately sold to the public – e.g., ordinary retail items such as dog bowls, leashes, dog collars, chew toys, etc. sold to a client or to a visitor to the facility.	Taxable to the final consumer.
Client of the veterinarian's nonprofessional services business.	Tangible personal property purchased for resale by the veterinarian, which is then resold to the final consumer, as part of the providing of <b>nonprofessional</b> services by the veterinarian -- e.g., dog combs or decorative bows and ribbons sold by the nonprofessional dog grooming and shampoo service to the client.	Taxable to the final consumer.