



SALES AND USE TAX AND DOCTORS

For sales and use tax purposes, doctors are generally engaged in a single business activity - they provide professional medical services. However, if doctors sell tangible personal property, they may be required to collect sales tax from their patients. This publication provides general information concerning West Virginia sales and use tax as it applies to the business activities of doctors. It is not a substitute for tax laws or regulations.

Sales by Doctors

When doctors 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 sales tax applies to fees charged for medical examinations and treatments and includes charges for drugs, supplies and materials which are used in providing the professional medical service. However, if doctors sell non-prescription medications and other products and supplies over the counter, they must collect the sales tax from their patients and remit the tax collected to the Department of Tax and Revenue.

Purchases by Doctors

Doctors must pay sales or use tax when they make purchases of equipment, supplies, materials, medications and other products which will be used or consumed in providing professional medical services. Also, effective July 1, 1989, doctors must pay sales or use tax on all of their purchases for use or consumption in providing nonprofessional services.

Use Tax

Doctors 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 Department of Tax and Revenue. The use tax must be paid quarterly on the purchasers' use tax return (Form WV/CST-220). Doctors who have not established a use tax account with the Department of Tax and Revenue should contact the Department immediately to establish the proper account. When a use tax account is established, the Department will automatically provide a use tax form prior to the due date of the return.

If you have questions concerning the information contained in this publication please contact:

Department of Tax and Revenue
Taxpayer Services Division
P.O. Box 3784
Charleston, WV 25337-3784

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