



Pharmacies And Sales Tax

The purpose of this publication is to provide general information regarding the sales tax responsibilities of pharmacies. It is not a substitute for the law or regulations.

SALES

Pharmacies generally sell health and beauty aids, household goods, and prescription drugs. Sales tax should be collected on the sale of all these items, except the sale of prescription drugs and insulin to the final consumer. Please note that sales of prescription drugs or insulin to persons other than the final consumer, such as hospitals or physicians, are subject to sales tax.

Accurate records of taxable and nontaxable sales must be maintained in order to verify the accuracy of filed returns upon audit.

PURCHASES

Pharmacies are retailers. Thus, purchases of equipment, supplies, or other items for use in the business are subject to sales and service tax, except for purchases for resale. In order to purchase items for resale exempt from sales tax, the pharmacy owner must present a Certificate of Exemption (Form F0003) to the vendor.

Pharmacies that make taxable purchases from vendors (including out-of-state vendors) who do not collect West Virginia sales or use tax must pay the use tax due directly to the West Virginia State Tax Department. The use tax must be paid quarterly on a purchaser's use tax return (Form WV/CST-220). Pharmacies who have not established a use tax account with the West Virginia State Tax Department should contact the Department to set-up the proper account.

If you have questions concerning this publication please contact the:

West Virginia State Tax Department

Taxpayer Services Division
P.O. Box 3784
Charleston, WV 25337-3784

Telephone: (304) 558-3333 or toll free 1-800-WVA-TAXS (1-800-982-8297)

or visit our website:
<http://www.state.wv.us/taxdiv>

A TDD Service is available for the hearing impaired by calling 1-800-2TAXTDD (1-800-282-9833).

To order forms or publications, please call the automated information system at:
(304) 344-2068 or toll free 1-800-422-2075.

To order by mail please use the above address.